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ABSTRACT

This document is designed to review the general provisions of various sources of student financial aid (federal, state, and private) and, to explain the operating procedures of the Basic Educational Opportunity Grant Program. This document is essential, since the Basic Grant Program is based on the concept of entitlement. It is necessary that all potentially eligible students be made aware of the availability of this source of assistance. This document also provides: (1) a general description of the "campus-based" programs that are also sponsored by the Office of Education; (2) general information on the calculation of awards; (3) operational aspects of the Basic Grant Program; (4) sample forms and case examples; (5) a directory which lists names and addresses of persons to contact for information on federal and state sources of student financial aid; and (6) an index to the handbook.
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1975-76

Basic Educational Opportunity Grant Program

HANDBOOK



U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF POSTSECONDARY EDUCATION
WASHINGTON, D.C. 20202

Dear Colleague:

All of us share a primary concern which is to assist qualified persons in obtaining the benefits of postsecondary education. One of the major problems encountered by persons seeking education and training beyond the high school level is meeting the costs of this education.

The Office of Education sponsors several student financial aid programs which are designed to assist in the removal of financial barriers to postsecondary education.

Since you are in the unique position of counseling and assisting students who wish to pursue postsecondary education, we have developed this Handbook in order to aid you in these efforts. The purpose of the Handbook is two-fold; first, to acquaint you with the general provisions of various sources of student financial aid (Federal, State and private) and, second, to explain, in detail, the operating procedures of the Basic Educational Opportunity Grant Program.

As you will note from Chapter 3, the Basic Grant Program differs in many ways from other student aid programs. The most significant difference is the "entitlement" concept of the Basic Grant Program which means that all eligible students can be assured of receiving their Basic Grant awards. Because of the entitlement nature of the Program, it is essential that all potentially eligible students are made aware of the availability of this source of assistance and are provided with assistance in applying for Basic Grants.

The Handbook is designed to be used as a training document to assist you in becoming more knowledgeable about the Basic Grant Program and as a reference tool to help you obtain more specific information on other sources of aid. In this context, the Handbook has several features which we would like to bring to your attention:

1. While the primary emphasis of the Handbook is the Basic Grant Program, Chapter 2 provides a general description of the "campus-based" programs which are also sponsored by the Office of Education. Because these programs are administered directly by the institutions which participate in them, it is not possible to describe them in the same detail as the Basic Grant Program. However, we believe that the information included in Chapter 2 will be of use to counselors and new institutions which are interested in participating in these campus-based programs.

We would like to take this opportunity to thank the Office of Education, Division of Student Support and Special Programs, for assisting us in developing this Handbook. Their efforts in providing the information included in Chapter 2 is appreciated.

2. As many of you may recall, the training materials which were developed for the 1974-75 academic year included two documents; a Guide for high school counselors and others involved in counseling activities and a Handbook for postsecondary financial aid and fiscal officers who are involved in the actual administration and operation of the Basic Grant Program.

For the 1975-76 academic year, however, we have only prepared one document, this Handbook. It is designed to serve the same purposes (and covers the same materials) as the two documents used last year. Counselors and others who are not involved in the actual administration of the Basic Grant Program, may wish to pay special attention to Chapters 1 through 6 as well as that portion of Chapter 7 which provides general information on the calculation of awards. Postsecondary school personnel may wish to review and use the entire Handbook since the remaining materials deal with the operational aspects of the Basic Grant Program operation.

Of course, both counselors and postsecondary school administrators should refer to the sample forms and case examples included in Chapters 9 and 10 respectively.

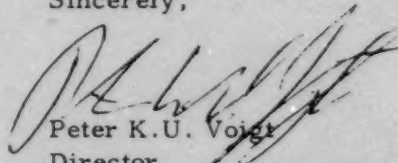
3. In addition to the information referred to in Chapters 1 through 10, we have also included two additional chapters which we hope will be helpful to the users of the Handbook. Chapter 11 is a Directory

which lists names and addresses of persons to contact for information on Federal and State sources of student financial aid. Chapter 12 is an index which we hope will be helpful to you in locating specific items contained in the Handbook.

While the Handbook is intended to be used in conjunction with a series of nationwide workshops, it was developed in such a manner that it can be effectively used by persons who were not able to attend these sessions. In addition, the Basic Grant application forms and posters as well as Fact Sheets describing the Office of Education-sponsored student aid programs, have been distributed to all high schools, TRIO projects, public libraries, and institutions of postsecondary education and we hope that these materials will be useful to you.

Your continued cooperation and assistance in making these materials easily available to your students is of critical importance. We hope that this Handbook will assist you in serving your students who wish to extend their educational experiences beyond the high school level.

Sincerely,



Peter K.U. Voigt
Director
Division of Basic Grants

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CHAPTER 1

INTRODUCTION

- I Access to Postsecondary Education
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CHAPTER I

INTRODUCTION

I. Access to Postsecondary Education

The Education Amendments of 1972 were designed to respond to the growing awareness of the need for skilled persons in a wide variety of career fields. Changes have been made in the thrust of Federal student aid programs to make assistance available to students enrolled in the whole range of institutions offering educational opportunities beyond the high school level. These educational institutions include colleges, universities, community and junior colleges, vocational, technical and business schools and hospital schools of nursing. As a result, the Amendments extended institutional eligibility to over 5,000 postsecondary schools.

Students who plan to continue their training and education after high school must meet a variety of costs of attending postsecondary institutions. Such costs include not only tuition and fees and other education related costs, but also general living expenses.

Access to postsecondary education simply means the ability of a person to pursue training and learning beyond high school. In order to assist in the elimination of financial barriers which prohibit access to postsecondary education and thus career goals, it is necessary that information on possible sources of student assistance be made available to all persons who may benefit.

This Handbook, therefore, provides general information on a variety of sources of student financial aid while focusing primarily on the Basic Educational Opportunity Grant Program.

II. Need Analysis

To meet the costs of postsecondary education, a student must often gather together substantial resources. The premise upon which all Federal student aid programs is based is that the primary responsibility for meeting the cost of postsecondary education is that of the student and his or her family. Therefore, an assessment must be made of a family's ability to meet these costs.

The process by which a family's ability to meet the costs of postsecondary education is referred to as need analysis. There are some 600 methods of need analysis approved by the U.S. Office of Education for use by institutions in distributing Federal funds. The desired goal of each system is to best measure the ability of any given student to meet the costs of attending that institution. Thus, need analysis attempts to provide a measurement of the financial strength of a student and his family which, when applied to the costs of attendance, provides an indication of a student's financial need.

The systems in use generally look at the same indicators, i.e., the financial strength of a student's parents, as reflected by their income and asset

position, the size of the family, and the number of family members in post-secondary education. In addition, the financial strength of the student is also considered.

While all systems of assessing family financial strength look at similar indicators, it must be noted that not all treat these indicators in the same way. Thus, while the income of the dependent student's parents is always considered, the expectation from that income varies as does the time frame of consideration. For example, one system may look at the family income for the last calendar year, another the last 12 months, and a third a projected yearly income.

Many arguments can be made for the individual approaches that exist among these systems. However, the primary reasons for these variations are that the systems are generally designed to meet specific needs of certain types of students or are intended to meet objectives such as simplicity, national consistency, etc.

Given these differences and the fact that the assessment of family financial strength and ability to contribute toward educational costs is always a matter of judgement, it becomes apparent that the determination of a family contribution is more of an art than a science.

III. Financial Aid Administration

A financial aid officer's task is to meet the financial need of each student using the various resources available to him. Since student need, in many cases, exceeds the amount of resources available at institutions, determining an individual student's ability to pay for postsecondary education is just one factor in the distribution of financial aid resources.

In order to determine the amount and type of assistance which can be offered to each student, the aid officer must have both an indicator of the relative financial strength of a student and his or her family and a budget for each student. This student budget will usually include tuition, fees, room, board, books, supplies, and miscellaneous expenses. Some schools use an average budget applied to all students, while others prefer to design a budget for each student, or for various categories of students (married, out-of-State, commuting etc.).

A student's financial need, then, is the difference between the ability of the student's family to pay for his or her postsecondary education and the cost of this education. In order to meet each student's need, the aid officer may develop a "financial aid package," consisting of several types of assistance drawn from a variety of sources. The resources which the aid officer may use in developing the "package" generally includes three types of aid.

- 1) Gift assistance, including scholarships and grants
- 2) Loans
- 3) Employment opportunities

There are four primary sources of these types of financial assistance:

- 1) Postsecondary educational institutions
- 2) Private foundations, banks, etc.
- 3) State Government
- 4) Federal Government

IV. Sources of Student Financial Aid

A. Institutional Programs

Institutions of postsecondary education generally have several sources of financial assistance which are available to students who are attending that institution. All three types of assistance (gifts, loans, and work) may be available at the institution. To receive such assistance, students generally must apply through the institution.

B. Private Programs

Many private philanthropic organizations, foundations and corporations provide funds for students in the form of scholarships, grants, loans, and employment opportunities. Many such sources exist locally through service organizations such as Rotary, Kiwanis, Lions Clubs, the American Legion, P.T.A., etc. Although these sources are not as visible as Federal, State and institutional funds, they represent

significant resources available to the student. For this type of assistance, students generally apply directly to the potential donor and usually there is a direct relationship between the student and the sponsoring organization.

C. State Programs

Many States also offer several types of financial assistance to students. These State programs may be in the form of gift aid, work or loans. Types of aid and eligibility for this assistance vary among the States. Specific program and application information on individual State programs may be obtained from the administrative State agencies listed in the Directory in the back of the Handbook or from the institution in which the student is interested in enrolling.

D. Federal Programs

The Federal Government, through the U.S. Office of Education, supports five major programs of student financial assistance. They are the Basic Educational Opportunity Grant, the Supplemental Educational Opportunity Grant, the College Work-Study, the National Direct Student Loan, and Guaranteed/Federally Insured Student Loan Programs. In addition, OE sponsors a new State Student Incentive Grant Program which is designed to encourage States to create or expand State financial aid programs.

Students who are enrolled or accepted for enrollment in approved post-secondary educational institutions (college or universities, vocational

schools, technical schools, or hospital schools of nursing) may be eligible to apply for assistance under these programs.

Students apply for a Basic Grant by submitting an application directly to the Office of Education. The College Work-Study, the National Direct Student Loan and the Supplemental Educational Opportunity Grant Programs are referred to as "Campus-Based" Programs, since students apply directly to their institution for these funds.

The Guaranteed/Federally Insured Student Loan Program enables the student to borrow directly from a bank, credit union, savings and loan associations, or other participating lender who is willing to make the educational loan. The loan is guaranteed by a State or private nonprofit agency or insured by the Federal Government. Information and application forms are available from schools, lenders, State Guarantee Agencies, and Regional Offices of the U.S. Office of Education.

CHAPTER 2

CAMPUS-BASED PROGRAMS

- I. Legislative Authority
- II. Program Description
- III. Program Participation
- IV. The Function of the Campus-Based Programs
- V. Administration of the Campus-Based Programs at the Institutional Level
- VI. Distribution of Aid to Students
- VII. Over-awarding
- VIII. Technical Assistance

CHAPTER 2

CAMPUS-BASED PROGRAMS

I. Legislative Authority

The Higher Education Act of 1965, as amended by the Education Amendments of 1972, provides the current legislative authority for the Supplemental Educational Opportunity Grant, the College Work-Study and the National Direct Student Loan Programs.

II. Program Description

One of the major thrusts of the Federal Government, in the area of post-secondary education, has been the removal of financial barriers to postsecondary education for qualified persons who can benefit from education and training beyond the high school level. This effort has, in a large measure, been carried out through the Federal support of various student financial aid programs. Three of these programs, the Supplemental Educational Opportunity Grant (SEOG), the College Work-Study, (CWS) and the National Direct Student Loan (NDSL) Program are referred to as the "campus-based" programs since they are administered by the post-secondary schools which participate in them.

A. SEOG

The SEOG Program is one source of grant aid sponsored by the Office of Education. In order to be eligible for SEOG assistance a student must be enrolled in a participating institution, on at least a half-time basis, and

demonstrate "exceptional financial need." "Exceptional financial need" means that a student's expected family contribution may not exceed fifty percent of his or her cost of education at the institution in which the student is enrolled or accepted for enrollment. This "need" is determined by each institution using a systematic and consistent need analysis system approved by the Office of Education.

The minimum SEOG which may be paid a student is \$200 per academic year. The maximum SEOG a student may receive is \$1500 or one-half of the total amount of student financial aid provided by the institution, whichever is the lesser. SEOG's must be "matched" by other sources of aid such as Basic Grants, NDSL, CWS, BIA Grants, State or private scholarships, etc. Therefore, students who receive SEOG assistance can be assured that they will also receive at least an equal amount of aid from other sources.

B. CWSP

The CWSP is another OE-sponsored student aid program. This program provides employment opportunities for students enrolled in participating institutions on at least a half-time basis to assist them in earning the funds necessary to meet the costs of postsecondary education.

Student eligibility is restricted to those students with the "greatest need" after considering all grant aid the students are receiving. As is the case

of the SEOG Program, "greatest need" is determined by each institution using a need analysis system approved by the Office of Education.

Students who receive assistance through the CWSP may not work more than forty hours per week and the total amount of aid received is dependent on both the number of hours of employment and the salaries paid. The student's school will arrange for all employment under the CWSP. Students can work either for the institution itself or the school may arrange for off-campus employment with public or private nonprofit organizations as long as this work is in the public interest. It is important to note, however, that proprietary schools may not employ CWSP students at the institution but instead must arrange for all CWSP recipients to work in off-campus jobs.

The compensation paid to CWSP recipients consists of Federal funds and funds from the employing organization (the institution or the off-campus agency). In no case can the Federal share of student compensation exceed eighty percent. Therefore, it is the institution's responsibility to arrange for the remaining portion of the compensation.

C. NDSL

The NDSL Program is one of the loan programs sponsored by the Office of Education. In order to receive NDSL assistance, students must be enrolled in participating institutions on at least a half-time basis and demonstrate

financial need. Again, the determination of financial need is made by the institution using an OE-approved need analysis system.

Students receiving NDSL assistance may borrow funds to help pay for their educational expenses. NDSL loans generally do not have to be repaid until nine months after borrowers terminate their education. However, students who drop below half-time enrollment will have to begin repaying their loans at that time. In addition, the NDSL Program has provisions for deferred repayment for Peace Corp, Vista or military service. The interest rate on NDSL loans is three percent.

Another major provision of the NDSL Program is the full or partial cancellation of loans for teaching and/or military service. This means that in certain specific circumstances student loans are "forgiven" for such service.

III. Program Participation

While there are currently about 5,500 institutions of postsecondary education eligible under the "campus-based" programs, not all of these are participating schools. Participation in this context means that the school: (1) has applied to the Office of Education for and received funds for one or more of these programs; (2) has signed the Articles of Agreement to meet program requirements; (3) has designated an institutional official responsible for the coordination of all financial assistance

at the school; and, (4) uses an OE approved system of determining student need.

In order for students to receive assistance through any of the campus-based programs, they must be enrolled in an institution which meets all of these conditions.

Eligible institutions wishing to participate in one or more of the campus-based programs must also assume certain responsibilities related to this participation.

Since students receiving SEOG assistance must have the amount of their SEOG's matched by other sources of aid, the school must be able to meet this matching requirement.

Schools wishing to participate in the CWS Program must have the capability for arranging for student employment as well as meeting the matching requirements for student compensation. In addition, the schools must be able to control the administrative aspects of the Program relative to this student employment.

The NDSL Program has some major responsibilities regarding the loan repayment and collections aspect of the Program.

Since one of the major concepts of the Program is that of the "revolving fund", NDSL loans are made by the school. The total NDSL loan fund at

an institution consists of Federal funds, institutional funds and funds collected from previous loans. For every nine dollars of Federal money, the institution must commit one dollar from its own funds. In addition, because collections are a major part of the loan fund, the school must make necessary provisions for collecting repayments on loans previously borrowed.

Finally, the institutions must have the administrative capability of handling the deferment and cancellation provisions of the NDSL program.

In order to compensate the institutions for the expenses involved in these significant administrative requirements, the schools may claim up to three percent of the expenditures for student aid in each of these programs in lieu of administrative expense. However, the total amount claimed for all programs may not exceed \$125,000 per fiscal year.

The application process for the campus-based programs is described on page 2-7. The specific administrative requirements for all of these programs can be obtained from the appropriate Regional Office of Education listed in the Directory. At the time the institution becomes a participating school, of course, all operating documents, necessary to administer the campus-based programs, will be sent to the institution.

IV. The Function of the Campus-Based Programs

The function of the campus-based programs is to both supplement the Basic Grants Program, the foundation of Federal student assistance, and to provide

institutional aid officers with flexibility to meet the specific financial needs of individual students. Because the Basic Grant Program may be considered a "formula" program in that the student's eligibility index, cost of attendance, and level of award are determined on the basis of a specific "formula-type" process, the individual needs of some students cannot be met. The campus-based programs, on the other hand, provide aid officers with the opportunity to exercise their own discretion (in accordance with OE requirements) in selecting aid recipients and types and amounts of assistance.

In this way, the financial aid officers, who are in a position to know the specific circumstances affecting individual students, can tailor the resources available to them to accommodate these situations.

V. Administration of the Campus-Based Programs at the Institutional Level

A. Institutional Application for Funds for the Campus-Based Programs

The initial major step in the administration of the campus-based programs at the institutional level is the annual filing of the Tripartite Application. This application cycle usually begins in October of each year when the institutions submit their requests for funds for the subsequent academic year. The data submitted on the Tripartite Application includes enrollment, number of needy students, cost of attendance, other resources available to the student, family contribution, etc. which provide justification for the institution's request for Federal funds. Each application is reviewed by a panel composed of other financial aid officers and OE staff in the Federal

Region in which the institution is located. The panel-recommended levels of funding are then submitted to the appropriate OE Regional Office and finally to the central Office of Education for approval and award notification. The notifications of Federal capital allocations to institutions specify the amounts of Federal capital available for expenditure.

The amount of money appropriated by Congress each year for each program is apportioned among the states in accordance with the legislatively prescribed State Allotment Formulae. Once this is determined, each state's allotment is then allocated among the eligible institutions which applied for program funds. This allocation is made according to the ratio of the amount available within each State to the total amount recommended by the panels for the institutions in the State. Therefore, the Federal funds received by an individual institution is often less than the amount requested.

A file of copies of previously submitted Tripartite Applications and of subsequent award letters provides a base which may help the aid officer in making reasonable requests for funds in relation to:

1. The financial circumstances of student applicants;
2. Other resources available; and
3. Institutional policy and resources.

It is rare that any one resource will provide all the funds needed to accommodate all eligible students. Thus, it is the Tripartite Application that focuses on the interplay between campus-based funds and those from

all other sources. In addition to the primary data showing the aggregate need of the students, the application may also reflect the administrative capability of the financial aid office in terms of staff, procedures, and experience in relation to the size of individual programs.

B. Fiscal Operations Report

Another major activity is the preparation of the annual Fiscal-Operations Report. This report summarizes the expenditures of program funds at the end of each fiscal year as well as the numbers and categories of students served during the year. This information is reported on the Fiscal-Operations Report. An accurate report will be possible only if complete records of awards are kept in the financial aid office and correlated with records of disbursements and credits in the Business Office.

The primary purpose of the Fiscal-Operations Report is to report institutional expenditure activities related to the operation of the campus-based programs. However, a carefully and accurately prepared Report can serve several secondary purposes to both the Office of Education and to the institution. For instance, OE utilizes the information on the Report to determine trends for purposes of planning refinements and improvements in the Programs as well as for budget purposes. The institutions may use the Report to determine their future student aid needs and for identifying potential problem areas which may need to be addressed.

VI. Distribution of Aid to Students

The primary function of the financial aid officer is, of course, the distribution of aid to students. This includes the distribution and receipt of student applications for financial aid, the determination of student need (including student budgets), and the development of financial aid award "packages" during the course of the year. The determination of need includes the calculation of expected parental and student contribution through a systematic method approved by the U.S. Commissioner of Education. Approved systematic methods include the College Scholarship Service, the American College Testing Program Service, the Basic Grant Family Contribution Schedules, and the Income Tax Method. Such systems serve the purpose of collecting and analyzing parental, student (and spouse) financial information and recommending a reasonable contribution that a family can be expected to be directed towards the cost of education. For the campus-based programs, financial aid officers have the final decisions as to the amount of this contribution according to the best information available to them and their own professional judgment. Interviews with students frequently provide the financial aid officers with the information necessary to make decisions about the level of need of students, and subsequent packaging of the various aid resources available through the institution. The eligibility index for Basic Grants, other outside sources of aid, and special items to be included in budget construction are essential elements which should be known prior to final composition of an offer of financial assistance to the student.

It is important for the financial aid officer to determine the student's level of need, and also the circumstances which may suggest the type(s) of aid which are best suited to meet the needs of individual students. For example, it may not be desirable for a particular student to devote time to work because of study problems; another may prefer work opportunities to loans in order to save the maximum loan amount for graduate study; or a higher proportion of grant aid may be advisable for a freshman, with adjustment to more work or loan in the junior and senior years. Therefore, it is essential that financial aid officers carefully analyze student needs in relation to the resources available to them. In addition, because of other considerations, i.e. Federal/State/institutional priorities, effective "packaging" of student aid may be one of the most difficult tasks the financial aid officer performs.

It is also important for aid officers to know the amount of institutional and Federal resources as early as possible in order to make financial aid commitments to new students in advance of their enrollment, and to make renewal awards to students who are expected to return for the next academic year. Therefore, the Office of Education plans its schedule of allocating funds to institutions for early spring, in order to coincide with the institutional schedules of making offers of aid to students. Similarly, the Basic Grant application/distribution cycle is coordinated with this activity. Financial aid officers should make every effort to encourage and assist

potentially eligible students to file Basic Grant applications in order to effectively utilize all resources available to students.

VII. Overawarding

"Overawarding" exists when a student receives more financial aid than is necessary to meet the student's need as determined by the institution.

It is of paramount concern that the financial aid administrator not exceed the demonstrated need of the student with any single or combination of resources.

It is important to understand the necessity of keeping the sum of all assistance no greater than the calculated need. The institution's responsibility shall extend only to those resources which the institution itself makes available to the student or about which it knows or can reasonably know.

If aid exceeds need, the resulting overaward has serious consequences. Any Federal campus-based program funds involved, would constitute an improper expenditure of such funds. Overawarding one student reduces aid available to another needy student. SEOG regulations speak to coordination of the sources of institutional aid by an official of the institution in order to avoid making awards in excess of need.

VIII. Technical Assistance

The campus-based programs are sponsored by the Office of Education and more specifically the Division of Student Support and Special Programs (DSSSP). The DSSSP is responsible for the development and distribution of the

Tripartite Applications, Fiscal Operations Reports, and program regulations, policies, and procedures.

However, assigned to each of the ten OE Regional Offices, are Student Financial Aid Program Officers, who assist institutions with interpreting program information. Regional Office staff also assist in State and regional workshops which provide training sessions for financial aid officers and other institutional personnel. In addition, the Regional Office SFA Program Officers can be of special assistance to institutions who wish to become participating schools under the campus-based programs.

Another way Regional Program Officers may be helpful to institutions is by conducting Program Reviews. This check of materials, records, procedures, and coordination with other institutional officials, can indicate the efficiency of program operation within a school. During Program reviews, items to be corrected are specified, and suggestions are made for implementing the necessary improvements or correcting deficiencies. A good working relationship with Regional staff will prove to be invaluable to institutions in the operation of the campus-based programs. A list of the central and regional office staff involved in the campus-based programs can be found in the Directory, Chapter 11.

In addition to the Office of Education Staff (both central and regional), professional associations of institutional persons involved in student aid at the State, regional, and National levels are instrumental in the training and

professional development of institutional persons. Through their publications and workshops, in addition to annual meetings, these professional organizations benefit aid administrators through the dissemination of information and promotion of exchanges between new members of the profession and experienced persons.

Administrative References and Resources

The following list of reference materials is part of the information the Office of Education provides on the administration of the Campus-Based Programs. This list does not include the yet to be published regulations for College Work-Study and National Direct Student Loans. It must be remembered that until such time as regulations are published and become effective, the provisions of the Higher Education Act of 1965, P.L. 89-329, as amended by the Education Amendments of 1972, P.L. 92-318, are the sole authority to operate the programs.

1. Education Amendments of 1972, P.L. 92-318.
2. Compilation of Selected Student Financial Assistance Laws and Regulations, May 31, 1974.
3. Supplemental Educational Opportunity Grants Program Regulations, including Application Review Criteria for National Direct Student Loan and College Work-Study Programs, October 21, 1974.
4. Audit Guide, SEOG, CWS, and NDSL Programs, September 1973; Supplement, August 1974.
5. Agreement Covering Institutional Participation in Programs of Student Financial Aid, 1974-75, and request for Extension of Agreement, 1975-76.
6. Memorandum, July 17, 1972, with new NDSL promissory note.
7. Accounting, Recordkeeping, and Reporting by Colleges and Universities for Federal Funded Student Financial Aid Programs, 1974.
8. Memorandum, May 6, 1974, Minimum Wage Under CWSP.
9. Tripartite Institutional Application to Participate in Federal Student Financial Aid Programs (July 1, 1975 through June 30, 1976).
10. Tripartite Fiscal-Operations Report, Fiscal Year 1974.
11. Cancellation Lists for National Defense Student Loans for National Direct Student Loans at the 15 percent rate.

CHAPTER 3

BASIC GRANT PROGRAM

- I Legislative Authority
- II Program Description
- III How the Basic Grant Program Differs from
Other Federal Sources of Student Financial Aid
- IV Who May Apply for a Basic Grant
- V Funding of the Basic Educational Opportunity
Grant Program
- VI Application Process
- VII Award Determination and Disbursement
Process

CHAPTER 3

Basic Grant Program

I. Legislative Authority

The Basic Educational Opportunity Grant Program is authorized under Subpart 1 of Part A of Title IV of the Higher Education Act of 1965, as amended by the Education Amendments of 1972.

II. Program Description

The Basic Educational Opportunity Grant Program is a source of Federal student financial aid which was available to eligible students for the first time during the 1973-74 academic year. The purpose of the Basic Grant Program is to provide eligible students with a "floor" of financial aid to help defray the costs of postsecondary education. Student eligibility is primarily based on financial need determined on the basis of a formula, developed by the Office of Education and reviewed by Congress annually, which is applied uniformly to all applicants. The result of applying this formula is called the student's eligibility index and is used solely for purposes of determining the amount of a student's Basic Grant award. It should be noted that eligibility for Basic Grants is determined on the basis of financial need and that there is no scholastic determination made.

III. How the Basic Grant Program Differs from other Federal Sources of Student Financial Aid

A. "Campus-Based Programs"

Three major Federally sponsored student aid programs (National Direct Student Loans, College Work-Study, and Supplemental Educational Opportunity Grants) are referred to as "campus-based". This means that:

- a. Institutions choose to participate in these programs;
- b. The school requests funds for these programs from the Office of Education;
- c. The institution determines the student's need; and,
- d. The selection of recipients and the amount of aid each is to receive is left to each institution.

Of course, the school is required to follow the Regulations, guidelines and manuals issued by the Office of Education in making awards.

In addition, these programs all include statutory State Allotment Formulae which divide the total funds available among the states. Once the amount of funds available in each State is determined, these funds are then allocated to each participating institution within that State based on the approved institutional requests for such funds.

A student's ability to receive a Basic Grant award, on the other hand, is not dependent on these factors. There is no State Allotment Formula and

no institutional allocation formula. Eligible students can be assured of receiving their Basic Grant award without regard to the eligible school they choose to attend. Students, therefore, are provided with greater flexibility in determining their own educational goals and selecting a course of study which best allows them to achieve these goals.

Another significant new concept included in the Basic Grant Program is that of a nationally applied formula for determining eligibility on the basis of financial need. Every student who applies for a determination of eligibility can be certain that this is being calculated on the basis of a formula which is applied consistently to all applicants.

Under the campus-based student aid programs, all participating institutions are required to determine each student's need in a systematic and consistent manner. However, the method used by one institution may be different from the system used by another institution.

Under the Basic Grant Program, students can be assured that their eligibility indices are not dependent on the school they attend. Once this has been calculated, it will not change during that academic year even if the student transfers to another institution.

B. Guaranteed/Federally Insured Student Loan Program

The Guaranteed/Federally Insured Student Loan Program provides students with the opportunity to borrow, from a bank or other commercial

lender (and in some cases the institution itself), funds to help meet their educational costs.

While there is no concept of "participating institution" in this Program, students must still locate a lender who will make the loan to the student.

IV. Who May Apply for a Basic Grant

During the 1975-76 academic year, an eligible student is one who:

- (a) has established financial need by means of the Basic Grant application appropriate for that year;
- (b) has begun or will begin his or her post-high school education after April 1, 1973;
- (c) is enrolled in an eligible program of study offered by an eligible institution of postsecondary education; and,
- (d) is a citizen or national of the United States, or is in the United States for other than a temporary purpose and is, or intends to become a permanent resident, or is a permanent resident of the Trust Territory of the Pacific Islands.

A. Exceptions to the "April 1, 1973" Date

The Basic Grant appropriation for the 1975-76 academic year is not sufficient to make meaningful awards to the entire population of potentially eligible students. Therefore, the appropriation language restricted

Basic Grant assistance to those students who began or will begin their postsecondary education after April 1, 1973.

There are, however, several exceptions to the requirement that students began or will begin their postsecondary education after April 1, 1973.

Therefore, if students were enrolled before April 1, 1973 in the following kinds of programs or situations they are eligible to apply for a Basic Grant. These students should be sure to check "no" to question number 1 on the 1975-76 Basic Grant application form.

(a) Students who were enrolled in a course of study (whether or not for credit) which is remedial in nature;

(b) Students who were enrolled in a course of study (whether or not for credit) which is designed to prepare them for regular enrollment in an institution of postsecondary education;

NOTE: For purposes of exceptions (a) and (b) above, these

special programs must be designed specifically for the purpose of assisting students who require such remedial or preparatory study in order to successfully pursue postsecondary education

These provisions are to ensure that students participating in Upward Bound, Student Special Services, and other

special programs, sponsored by Federal, State, or private organizations will not be excluded from participation in the Basic Grant Program.

(c) Students who were enrolled in institutions of postsecondary education while still enrolled in secondary school; and,

(d) Students who were enrolled in institutions which were not eligible for participation in the Basic Educational Opportunity Grant Program as of April 1, 1973.

NOTE: Approximately 4,800 institutions of postsecondary education were eligible for the Basic Educational Opportunity Grant Program as of April 1, 1973. A listing of these schools is available in the Division of Basic Grants as well as the USOE Regional Offices. Because of the limited usefulness of this document, copies are not available for distribution. However, it can be assumed that most colleges, universities, and junior colleges and many business schools were eligible at that time. Any questions which may arise regarding the eligibility of a particular school as of April 1, 1973 may be directed to the school itself, to the Division of Basic Grants or to the Regional Office.

It is important to note that other than the exceptions listed above, enrollment prior to April 1, 1973 consists of any period of class attendance. Therefore, students who attended any classes, regardless of the length of that attendance are considered to have been enrolled. However, students who registered but withdrew prior to attending any class are not considered to have been enrolled.

B. Eligible Program

An eligible program is a program of training which is offered by an eligible institution of postsecondary education which:

- (1) leads to a degree or certificate;
- (2) is of at least six months duration; and,
- (3) admits as regular students only those persons having a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate.

The definition of eligible program serves the purpose of establishing those types of educational courses of study within an eligible institution in which a student must be enrolled in order to receive a Basic Grant. The requirements for determining institutional eligibility are specified by law. The term "eligible program" for purposes of Basic Grants applies these statutory provisions to the programs of study within these eligible schools. In this way we seek to assure that students receiving Basic

Grants are attending educational programs which meet certain minimum standards and which are postsecondary in nature. It should be noted that an eligible program is one that admits as regular students high school graduates or students with a recognized equivalent certificate. However, an otherwise eligible program does not lose its eligibility if its enrollment includes a small proportion of non-high school graduates admitted as special students. In such a case, special students are also eligible for Basic Grants.

It is important to note that students who are not enrolled in an eligible program will not be eligible to receive Basic Grants. In addition, a student who receives a Basic Grant does not have to be a high-school graduate or its equivalent; however, he must be enrolled in a program of study which normally requires a high school diploma as a prerequisite for admission for its regular students. In a case such as this, the fact that the institution allowed the student to enter such a program can be considered as institutional recognition of the student as being the same as a high school graduate.

C. Eligible Institution of Postsecondary Education

The criteria for institutional eligibility are defined by law. The determination of an individual institution's eligibility under all of the student financial aid programs sponsored by the Office of Education is made

by the Accreditation and Institutional Eligibility Staff (AIES) of the Bureau of Postsecondary Education. In order for students to receive financial assistance under any of these programs (Basic Grants, SEOG, CWS, NDSL, and G/FISL), the institution must be determined eligible for each specific program. It is important to note that accreditation or approval for any other Federally sponsored program (such as the Veterans Administration) does not necessarily mean that a school is eligible for any of the above named programs.

Students who are enrolled in institutions which have not been determined eligible by AIES cannot receive financial assistance from the programs listed above.

However, if an institution becomes eligible during the academic year, the students enrolled in that school will be eligible to receive Basic Grant assistance for that academic year if these students meet all other eligibility requirements.

In addition, the law specifies that an eligible institution must be in a State which includes, in addition to the States of the Union, American Samoa, the Commonwealth of Puerto Rico, The District of Columbia, Guam, the Trust Territories of the Pacific Islands, and the Virgin Islands. Therefore, students enrolled in institutions not located in a State (as defined above) are not eligible for assistance through the Basic Grant Program or the "campus-based" programs unless the student

is considered to be enrolled in an eligible institution located in a State and is attending a foreign institution. Of course, in this situation, the credits earned by the student while he or she is attending classes in a foreign institution, must be counted toward the student's degree in the U.S. school and the eligible institution would consider the student to be enrolled in that school for all other purposes.

Any questions regarding institutional eligibility should be directed to the Accreditation and Institutional Eligibility Staff, Bureau of Postsecondary Education, U.S. Office of Education, Washington, D.C. 20202.

D. Citizenship

Because the student aid programs sponsored by the Office of Education are considered to be domestic assistance programs, eligibility is restricted to those persons who are citizens or nationals of the United States or permanent residents and in this country for other than a temporary purpose. Therefore, students who are in this country on F1 or F2 student visas are, by definition, in this country for a temporary purpose and are not eligible to receive any assistance through these student aid programs.

A detailed discussion of the citizenship requirements for these student aid programs is included on page 4-24.

V. Funding of the Basic Educational Opportunity Grant Program

For the first year of Basic Grant Program operation (the 1973-74 academic year), the appropriation for the Program was \$122.1 million. This level of funding provided approximately 200,000 first-year students with Basic Grants ranging from \$50 to \$452. During the 1974-75 academic year, the appropriation of \$475 million will provide an estimated 700,000 first and second year students with Basic Grants ranging between \$50 and \$1050.

The 1975-76 appropriation for the Program is \$660 million. It is expected that this level of funding will assist an estimated 1,000,000 first, second, and third year students with Basic Grants ranging between \$50 and about \$800.

VI. Application Process

A. A student completes an "Application for Determination of Basic Grant Eligibility" which collects only that data necessary for the calculation of his eligibility index. These forms are available at institutions of postsecondary education, high schools, public libraries, TRIO projects, and other locations easily accessible to students.

B. Once the student completes the form, he submits it for processing to an agency contracting with the Office of Education to calculate the eligibility index. This processing agency does not exercise any dis-

cretion in the examination of the student-provided data but simply makes the mechanical calculation based on the formula appropriate for that academic year. There is no charge to the student for the processing of his application.

C. The processing agency then returns to the student a "Student Eligibility Report", which notifies him of his eligibility index. This document is then submitted to the institution(s) of the student's choice.

D. The Office of Education provides each eligible school with the criteria for determining student costs for Basic Grant purposes and a payment schedule which reflects the appropriate reduction language specified in the law.

E. The school is then able to notify the student of the amount of his Basic Grant as well as develop the remainder of his financial aid package.

F. At the time that the student enrolls in the institution, the school bills the Office of Education through the NIH payment system for the Basic Grant awards made to students.

G. These awards are distributed through the institutions, which act as disbursing agents. Institutions will utilize their normal disbursement procedures and may either credit a student's account or make a direct payment to the student.

VII. Award Determination and Disbursement Process

A. In determining the amount of a student's Basic Grant award, the institution will utilize three documents. These documents are the Program regulations relative to cost of attendance, the applicant's Student Eligibility Report, and the 1975-76 Payment Schedule.

1. The regulations relative to cost of attendance specify both the kinds of cost elements which may be included for purposes of Basic Grants and, if appropriate, the levels of these costs.
2. The Student Eligibility Report provides the student's eligibility index based on the information provided by the applicant on the application form.
3. The 1975-76 Payment Schedule provides the amount of each student's Basic Grant for the full academic year given his or her cost of attendance and eligibility index. The Payment Schedule has already accounted for any reduction in the award levels which may be necessary due to a reduced appropriation. It should be noted that there are some instances when a student's award from the Payment Schedule may be further reduced.

B. In disbursing a student's Basic Grant award, the institution may utilize its normal disbursement system. Therefore, the institution may credit a student's account or pay the student directly or use a combination of both systems.

C. Alternate Disbursement System

All eligible students enrolled in eligible institutions will receive Basic Grant assistance. However, not all eligible schools are participating in the Basic Grant Program. Non-participating schools are those which do not or cannot act as disbursing agents for Basic Grants.

Students attending eligible, non-participating institutions will receive their Basic Grant awards directly from the Office of Education. See page 7-21 for information on the Alternate Disbursing System.

CHAPTER 4

BASIC GRANT APPLICATION •

- I Overview
- II Completion of the Application
- III Supplemental Form
- IV Special Situations Affecting the Completion
of the Basic Grant Application

CHAPTER 4

BASIC GRANT APPLICATION

I. Overview

A. Application Process

A student must submit an application for each academic year. Students who plan to enroll in postsecondary institutions for the 1975-76 academic year must file a 1975-76 Basic Grant application. Students who have applied for other financial aid for 1975-76 must still submit an "Application for Determination of Basic Grant Eligibility".

A detailed description of the student application process is included on page 3-11. However, to summarize briefly, the steps in this process are as follows:

1. The student obtains an "Application for Determination of Basic Grant Eligibility".
2. The application is completed and submitted for processing.
3. The processing agency will calculate the eligibility index and send the student his "Student Eligibility Report" (SER).
4. The student submits the SER to his institution(s) for calculation of his Basic Grant award.

B. Application Packet

Included within the application packet will be three items: the application form, instructions, and a return envelope.

1. Application Form

The application form is divided into five major sections. Each applicant is expected to complete four of these sections.

Section A -- request general information about the applicant;

Section B -- requests general information about the parents of the applicant;

Section C -- determines whether the applicant qualifies as a dependent or an independent student;

Section D -- is to be completed by those applicants who are determined, on the basis of the information provided in Section C, to be financially dependent on their parents;

Section E -- is to be completed by those applicants who are determined, on the basis of the information provided in Section C, to be financially independent of their parents.

2. General Information and Instructions

The general information and instruction sections contained in the application packet provide the necessary information to assist the student in the completion of the application form.

3. Return Envelope

A return envelope is included in the application packet to facilitate the mailing of the completed application. If it is missing or misplaced the address of the processing agency is on both the application form and in the instructions.

It should also be noted that on the back of the application packet there is a postal insignia which allows for the postage-free mailing of the application to interested students and parents.

II. Completion of the Application

Careful and accurate completion of the "Application for Determination of Basic Grant Eligibility" is essential to the timely processing of the student's application. It should be noted that all items on the application are critical for either identification purposes or actual use in the calculation of the student's eligibility index. Therefore, all items should be completed. Applications which are incomplete or unsigned will be returned to the applicant.

The application form must be completed legibly. Because of the critical nature of the applicant-provided information in the calculation of the student's eligibility index, the processing contractor cannot be responsible for misinterpretations of the data on the form. Illegible applications will be returned to the applicant.

While the application packet includes comprehensive instructions, there are several items on the application form that may require special attention:

SECTION A -- Applicant Information

Item #1: For the 1975-76 academic year, eligibility for Basic Grants is limited to those students who have begun or will begin their post-high school education after April 1, 1973.

IMPORTANT -- THERE ARE FOUR EXCEPTIONS TO THIS REQUIREMENT -
For specific information see page 3-4.

Item #4: An applicant for the Basic Grant Program must be:

1. A citizen of the United States; or,
2. A permanent resident of the Trust Territories of the Pacific Islands; or,
3. In the United States for other than the temporary purpose and intending to become a permanent resident.

NOTE: Students in the U.S. on Student Visas are not considered to be in the U.S. for other than a temporary purpose and are not eligible to apply for Basic Grants. For more detailed information on these citizenship requirements see page 4-24.

Item #6: It is essential that the students enter the mailing address where they are certain they will receive their Student Eligibility Reports. In most cases this would be the parents' home address, rather than a temporary summer address.

Item #7: If the applicant has made a preliminary choice of school for the 1975-76 academic year, it should be listed in this item. The student should enter the complete name and sufficient address for the school so it can be identified. Institutions will receive a list of the students who have applied for a BEOG award to assist them in packaging financial aid. Applicants may use their Basic Grants at any eligible institution, whether or not it is the institution they indicate in this item.

Item #9(a): This item must be completed by independent students and would include all members of the applicant's own household who are dependent on the applicant (and spouse) for more than half of their support. The total would include the applicant and spouse, unless they are separated or divorced.

Item #9(b): This item reports those persons, including the applicant, who were listed in Item 9a, who will be attending post-high school educational institutions during the 1975-76 academic year on at least a half-time basis. Post-high school educational institutions include colleges, universities, community colleges, vocational and technical schools and hospital schools of nursing.

SECTION B -- Parent Information

NOTE: For purposes of the Basic Grant Program, a "parent" is defined to be the applicant's mother or father unless any other person (other than the applicant's spouse) provides or did provide more than one-half of the applicant's support. Therefore, the term "parent" may not, in all cases, refer to the applicant's mother or father.

Item #10: The applicant should enter the name of one of his parents. If his parents are separated or divorced, only information regarding that parent who provides the greatest amount of the student's support should be reported on the BEOG application.

Item #13: All persons who are dependent of the applicant's parent(s) for more than half their support should be reported in this item.

Item #14: This item includes those persons, including the applicant, from Item 13 who will be attending postsecondary educational institutions during the 1975-76 academic year on at least a half-time basis. Such institutions include colleges, universities, junior and community colleges, vocational and technical schools, and hospital schools of nursing.

If an independent student cannot obtain the information requested in Section B, he may omit this data. Dependent students must complete this section.

SECTION C -- Applicant's Status

This section determines the applicants' status with regard to their financial dependence on their parents. If applicants check "yes" for any question for any year in this section, they are considered to be dependent students for purposes of the Basic Grant Program.

If applicants check "no" for all years and all questions, they are considered to be independent of their parents in terms of financial support. It is important to note that for purposes of completing this section, "parent" is defined as: (a) mother, (b) father, or (c) any person (except the student's spouse) who provides, or did provide, during 1974, 1975, or 1976, more than half of the applicant's support. See page 4-19 for details on special circumstances which may affect an applicant's filing status.

SECTION D -- Parents' Financial Statement

This section is to be completed by those applicants who have been determined in Section C to be dependent on their parents. If the student's parents are separated or divorced, only the parent who provides the greater amount of the applicant's support should complete this section. If the applicant has been receiving more than half his support from a person other than his mother or father, that person's financial information should be reported.

Item #19: The Adjusted Gross Income of the applicant's parent(s), taken directly from Line 15 of the 1974 IRS Form 1040 or Line 12 of the 1974 IRS form 1040A, should be reported in this item. If the applicant's parents did not have to file a Federal Income Tax Return for 1974, earned income should be reported in Item 21. If the applicant's parent(s) did not have to file a 1974 Federal Income Tax, a zero should be entered in item 19.

Item #20: That portion of item 19 that was earned through employment by the applicant's father and mother should be reported here. This would only include wages, salaries, and other employment income which normally would be reported on a W-2 Form.

Item #21: The income to be reported here includes all other income that is not reported in item 19 except those veteran's educational benefits paid to or on behalf of the applicant or any other member of the household.

It should be noted that all social security benefits, received by all members of the household during 1974, should be reported here. This represents a significant change in the Family Contribution Schedules for the 1975-76 academic year. In prior years, the Basic Grant formula in most cases considered effective income of the student (defined to be all social security benefits paid to or on behalf of a student because he

is a student and one-half of all educational benefits provided through the Veterans Administration) as being available for educational purposes and, therefore, as a direct contribution to be applied against the cost of education. As a result of this treatment, while many recipients of these benefits were from very low-income families, they have not been eligible for Basic Grant assistance.

For the 1975-76 academic year, these benefits will be treated in the same manner as regular family income. However, only social security benefits should be included in item 21, Other Income. Veterans' educational benefits will be collected separately in item 30 since, according to the law, only one-half of these benefits may be considered in the Basic Grant Family Contribution Schedules.

Do not report any amount received from student aid sources such as scholarships, grants, institutionally supported work programs, or educational loans.

Item #22: It is critical that the amount reported here is the Federal Income Tax paid for 1974 and not that amount withheld on a W-2 form. If no tax was paid for 1974, a zero should be entered in this item.

Item #25: In reporting the value of the parent's home, this amount should be the present market value of the home and not the original purchase

price. In reporting the debts against the parents' home, this amount should include all unpaid mortgages, as well as any other debts against the home such as home improvement loans.

Item #30: The amount to be reported here is the educational benefits paid to or on behalf of the applicant through the Veteran's Administration. These benefits should reflect only those which are paid to the applicant because he or she has reached the age of 18 and is a student. This would include G.I. Bill benefits as well as benefits paid under the Widow and War Orphans Assistance Program.

Item #31: The applicant should report the amount of his savings at the time of submitting the application, plus the net present value of his investments, real estate, and inheritances. Specifically excluded are personal property and any amounts received from financial aid sources such as educational loans.

Assets which are in the student's name, but which he or she may be legally restricted from using, should not be reported here.

SECTION E -- Applicant's Financial Statement

This section is to be completed only by those applicants who have been determined in Section C to be independent students for the purposes of the Basic Grant Program. Applicants who answered "yes" to any

question for any year, in Section C should not complete this section.

If the independent applicant is married, the financial information of both the applicant and spouse should be reported. If the applicant is separated or divorced, only the applicant's financial information should be reported.

Item #33: The 1974 Adjusted Gross Income of the applicant (and spouse), taken from Line 15 of the 1974 IRS Form 1040 or Line 12 of the IRS Form 1040A, should be reported here. If the applicant (and spouse) did not have to file a Federal Income Tax Return for 1974, any earned income should be reported in Item 35 and a zero entered in this item. At no time should any income received through employment provided by student aid programs be reported.

Item #34: That portion of Item 33 that was earned through employment, exclusive of student aid employment, by the applicant and spouse is reported in this item.

Item #35: The income to be reported here includes all other income that is not reported in item 33 except those veteran's educational benefits paid to or on behalf of the applicant or any other member of the household.

It should be noted that all social security benefits, received by all members of the household during 1974, should be reported here. This

represents a significant change in the Family Contribution Schedules for the 1975-76 academic year. In prior years, the Basic Grant formula in most cases considered effective income of the student (defined to be all social security benefits paid to or on behalf of a student because he is a student and one-half of all educational benefits provided through the Veterans Administration) as being available for educational purposes and, therefore, as a direct contribution to be applied against the cost of education. As a result of this treatment, while many recipients of these benefits were from very low-income families, they have not been eligible for Basic Grant assistance.

For the 1975-76 academic year, these benefits will be treated in the same manner as regular family income. However, only social security benefits should be included in item 35, Other Income. Veteran's educational benefits will be collected separately in item 44 since, according to the law, only one-half of these benefits may be considered in the Basic Grant Family Contribution Schedules.

Do not report any amounts received from student aid sources such as scholarships, grants, institutionally supported work programs, or educational loans.

Item #36: It is important that the amount reported here is the Federal Income Tax paid for 1974 and not that amount withheld on a W-2 form.

If no Federal Income Tax was paid, a zero should be entered.

Item #39: In reporting the value of the applicant's home, this amount should be the present market value of the home and not the original purchase price. In reporting the debts against the applicant's home, this amount should include all unpaid mortgages as well as any other debts against the home such as home improvement loans.

Item #43: This item should not include any amounts the applicant or spouse has received through educational loans.

Item #44: The amount to be reported here is the educational benefits paid to or on behalf of the applicant through the Veteran's Administration. These benefits should reflect only those which are paid to the applicant because he or she has reached the age of 18 and is a student. This would include G.I. Bill benefits as well as benefits paid under the Widow and War Orphans Assistance Program.

CERTIFICATION STATEMENTS

The statements that appear at the bottom of both Sections D and E must be signed by at least one member of the student's household before the application can be processed. Applications which are not signed will be returned to the applicant. The certification statement basically fulfills three functions in that the applicant: (1) attests to the validity of the

information submitted on the application; (2) agrees to provide supporting documentation to verify the information on the form; and, (3) agrees to the release of the eligibility index to appropriate State student financial aid agencies and to the institution of postsecondary education that the applicant may have indicated in item 7.

The latter release provides authorization for the Office of Education to release only the student's name, social security number and Basic Grant eligibility index to these State agencies and institutions. The purpose of this is to assist students, institutions, and State agencies in the effective packaging of student financial aid resources.

III. Supplemental Form

A. Introduction

For purposes of establishing a student's eligibility (in terms of financial need) for the Basic Grant Program, it was determined that the most accurate indicator of annual family income is the amount reported on the Federal Income Tax Return for the year preceding the year for which aid is requested. Thus for the 1975-76 academic year, 1974 is the base year. However, it was also recognized that extraordinary circumstances could occur which would substantially affect the determination of Basic Grant eligibility that would be calculated on the basis of the previous year's income. Therefore, in certain cases the tax year subsequent to the base year will be used rather than the previous year

in the assessment of family financial strength. The process by which an applicant may use estimated 1975 income as a base for calculation of his student eligibility index is initiated by filing a Supplemental Form. (See Chapter 9 for a copy of the Supplemental Form).

B. Purpose of Supplemental Form

For the 1975-76 academic year, the Supplemental Form allows students to submit a Basic Grant application form which reports estimated income for 1975 rather than actual data for 1974. The Supplemental Form should be filed only when the applicant or his family has experienced a dramatic change in their financial situation from 1974 to 1975. For the 1975-76 academic year, the applicant must meet one of the following conditions in order to be eligible to use estimated 1975 income:

- 1) A parent or spouse, whose 1974 income was or would have been included on the Basic Grant application form, died in 1974 or 1975;
- 2) A parent or spouse, whose 1974 income was or would have been included on the Basic Grant application form, has experienced a loss of employment of at least ten total weeks in 1975;
- 3) Since the time of an original submission of the 1975-76 Basic Grant application, the parents of the dependent applicant have become separated or divorced. Applicants whose parents were divorced or separated before the submission of the applicant's first

1975-76 Basic Grant application form are not eligible to file a Supplemental Form. (See page 4-20 of this handbook.)

4) Since the time of an original submission of the 1975-76 Basic Grant application the independent applicant has become separated or divorced. Applicants who were divorced or separated before the submission of the applicant's first 1975-76 Basic Grant application form are not eligible to file a Supplemental Form. (See page 4-20 of this handbook).

5) A parent, applicant or spouse whose 1974 income was or would have been included on the Basic Grant application form, has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to loss or damage to income-producing property as a result of natural disaster, OR such a parent, applicant or spouse has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to disability that occurred during 1974 or 1975.

6) An applicant who was employed on a full-time basis (at least 35 hours per week) for a minimum of 30 weeks in 1974 and is no longer employed on a full-time basis.

If the applicant does not meet one of the above conditions he is not eligible to file a Basic Grant application which uses estimated 1975 income. Of course, the applicant may, if he has not already done so

still file the regular Basic Grant application that would use actual 1974 income.

C. Filing the Supplemental Form

If an application has already been submitted and the student eligibility index has been calculated, the applicant who meets one of the above conditions may request a recomputation of the eligibility index by submitting a Supplemental Form together with a new application. If an application has not yet been submitted, an applicant may submit a Supplemental Form with the original application. In either case, estimated 1975 income will be used rather than actual 1974 information.

While the Supplemental Form contains comprehensive instructions, the following items may require special attention:

Step 2: Section C of the application form determines the student's filing status (dependent or independent). Regardless of the change in financial circumstances, the student should answer the questions in Section C for the years requested (1974, 1975, and 1976).

It is important to note that if an applicant is to complete Section D of the Basic Grant application, only the criteria in Section III of the Supplemental Form apply to him. And if the applicant is to complete Section E of the Basic Grant application, only the criteria in Section IV of the Supplemental Form apply to him.

Section III - The dependent student should complete only one item in this section.

A. See page 4-24 for instructions on completing the application form when both parents are deceased.

C. See page 4-20 for instructions on completing the application form when the parents were separated or divorced prior to the date of submission of an original 1975-76 Basic Grant application form.

Section IV - The independent student should complete only one item in this section.

C. See page 4-20 for instructions on completing the application form when the separation or divorce of the applicant occurred prior to submission of an original 1975-76 Basic Grant application.

E. This item represents a major modification in the treatment of the independent student from prior years to the 1975-76 academic year. In previous years, the loss of employment by the applicant prior to enrollment in postsecondary education was not among the criteria for filing a Supplemental Form. However, it was felt that in many cases students who should receive consideration for Basic Grant assistance were being denied such consideration based on income from the previous year which was from employment which they no longer held.

Step 4: All items in the appropriate Section (D or E) of the Basic Grant application should be completed. Special attention should be paid to income items, since an estimate must be made for 1975 annual income. Where appropriate, zeroes should be entered rather than leaving the item blank.

Steps 5 & 6: Both the Supplemental Form and the application form must be signed and submitted together. Unsigned forms or single forms will be returned to the applicant.

IV. Special Situations Affecting the Completion of the Basic Grant

Application

A. Foster Children and Wards of the State

For the purposes of the Basic Grant Program, a "parent" is defined to be the applicant's mother, father, or any other person, who provides more than half of the applicant's support. In completing the Basic Grant application, foster children should file based on their relationship to their foster parents. This relationship is generally prescribed by the particular State of residence. Thus in some States the foster parents are eligible to claim the applicant as an exemption on their Federal Income Tax Returns, while in other States this is not permitted.

If the foster parents claim or are eligible to claim the applicant as a tax exemption for Federal income tax purposes for the base year

(1974 tax year), the applicant is considered to be a dependent student. Thus the applicant should complete Sections A, B, C, and D of the application form including the necessary financial information on the foster parents.

If the foster parents are not eligible to claim the applicant as a tax exemption for Federal income tax purposes for the base year (1974 tax year), the applicant is not considered to have a "parent" as defined by Basic Grants and therefore should answer "NO" to all questions for all years in Section C of the application. The applicant should then proceed to complete Section E using his or her own financial information.

B. Separation and Divorce

If the parents of the applicant are separated or divorced, only the financial information of the parent currently providing the greater portion of the applicant's support should be reported on the Basic Grant application. The date of the separation or divorce determines whether the applicant should complete the regular Basic Grant application or file the special Supplemental Form. If the date of the separation or divorce was before the date of submitting a Basic Grant application, the regular application only should be filed. The Supplemental Form cannot be submitted in this case. If the date of separation or divorce was after the date of submitting a regular Basic Grant application, the Supplemental Form can be filed. In either case, only the financial information of the

parent providing the greater portion of the applicant's support would be provided.

Example: The applicant's parents were divorced in March 1975 and the applicant filed a Basic Grant application in May 1975. The mother, as of May 1975, provided the greater portion of the applicant's support. The parents filed a joint tax return for 1974. The mother's portion of 1974 income, including her portion (if any) reported on the 1974 Federal Income Tax Return, would be reported on the Basic Grant application. In addition, any assets which are the mother's should also be reported. When reporting the size of the parent's household, the applicant would include himself, his mother, and all other persons for whom the mother provides more than one-half of their support.

Likewise, the independent student who is divorced or separated before filing the Basic Grant application would file only the regular application using only his 1974 income and cannot file a Supplemental Form. If the separation or divorce took place after the date of filing the Basic Grant application, the Supplemental Form may be filed using the applicant's estimated 1975 income.

C. Step-parents

If the applicant is determined to be a dependent student, based on Section C of the Basic Grant application, the financial information of the

applicant's parents should be reported in Section D. However, if one of the parents is a step-parent, the financial information to be reported in Section D would be based on one of the following conditions:

- 1) If the parent and step-parent filed a joint return for the base year (1974 tax year) and claimed the applicant as an exemption for Federal income tax purposes, the applicant should enter in Section D of the Basic Grant application, all financial information related to both the parent and the step-parent.
- 2) If the parent and step-parent filed a joint return and did not claim the applicant as an exemption for Federal income tax purposes for the base year (1974 tax year), the applicant should enter in Section D, of the Basic Grant application form, financial information that pertains only to the person that provided the greater portion of the applicant's support in 1974.
- 3) If the parent and step-parent filed separate returns for the base year (1974 tax year), the applicant should enter in Section D, of the Basic Grant application form, all financial information pertaining to that person who claimed the applicant as a tax exemption for Federal income tax purposes in 1974.
- 4) If the parent and step-parent did not have to file a Federal income tax return for 1974, the applicant should enter in Section D, of the Basic Grant application, financial information that pertains

to the person(s) who provided the greater portion of the applicant's support in 1974.

D. Dependent/Independent Filing Status

For purposes of the Basic Grant Program, the dependent status of the student is determined by Section C of the application. A student who answers "YES" to any question for any year in Section C will be considered dependent and must complete Section D (Parents' Financial Statement). In completing Section C, the student should remember that "parent" is defined as the applicant's mother, father or any other person (except the applicant's spouse) who provides more than half of the applicant's support. Thus if the applicant lives with a relative or other person who is not the student's mother or father, it must be determined whether that person provides more than half of the applicant's support. If that person does provide more than half of the applicant's support, the applicant is considered to have a "parent" for purposes of Basic Grants and the applicant should complete Sections C and D accordingly.

If, however, the applicant is living with a person who does not provide more than one-half of his support, he is not considered to have a "parent" and should answer "NO" to all questions for all years in Section C. The applicant would then proceed to complete Section E.

It should be noted that if the applicant answered "YES" to any question in Section C based on the relationship with his father and/or mother, this would take precedence over the current relationship the applicant may have with other persons. For instance, if the applicant was claimed as a tax exemption by his parents in 1974, but was currently living with his brother, his parents' financial information would be reported in Section D. Similarly, if the applicant answered "YES" to any question in Section C, his dependent status has been established and would not be affected by his marriage since that time. Thus marriage of the applicant does not automatically establish the independent status of the applicant for the purposes of the Basic Grant Program.

E. Death of Both Parents

If both parents or the last surviving parent of a dependent applicant dies during 1974 or 1975, the applicant should file a Supplemental Form.

When completing the accompanying Basic Grant application, the student should complete Section C as directed and then complete Section D. When completing Section D, the student would report all zeroes if the parent(s) died in 1974 or the amount the parent(s) earned up to the date of death if it occurred in 1975. In reporting the assets of the parent(s), only assets which are legally available should be included.

F. Eligibility of Non-citizens

Non-citizens who have permanent resident status in the U.S. will hold a

form I-151, "Alien Registration Receipt Card". These students are eligible to apply for Basic Grants.

With the exception of certain types of refugees, non-citizens holding form I-94, "Arrival-departure record" are not considered to be in the United States for more than a temporary purpose, and are thus not eligible to apply for Basic Grants. This includes students in the U.S. on an F-1 Student Visa.

Refugees who hold a form I-94 bearing endorsement by the Immigration and Naturalization Service showing that they have been paroled indefinitely, or have been granted indefinite voluntary departure or conditional entry are considered eligible to apply for a Basic Grant.

According to the Immigration and Naturalization Service, an alien who wishes to apply for Permanent Resident Status must meet one of four requirements:

- 1) he or she must be married to a citizen
- 2) he or she must be married to a Lawful Permanent Resident
- 3) he or she must be directly related to a citizen or permanent resident
- 4) he or she must have a definite job offer

Approximately three months after a non-immigrant applies for permanent resident status, he receives an Approval Notice from the Immigration

and Naturalization Service stating whether or not he has been found to meet one of the four requirements. For the purposes of Basic Grants, a non-immigrant will be considered to be in the U.S. for more than a temporary purpose and intending to become a permanent resident only if he can furnish an Approval Notice stating that he meets one of the above four conditions.

CHAPTER 5

DETERMINATION OF BASIC GRANT ELIGIBILITY INDEX

- I Introduction
- II The Basic Grant Formula
- III Explanation of Calculation of the Student Eligibility Index

CHAPTER 5

DETERMINATION OF BASIC GRANT ELIGIBILITY INDEX ACADEMIC YEAR 1975-76

I. INTRODUCTION

The amount of a student's Basic Grant is, in large measure, based on the financial strength of a student and his or her family. The authorizing legislation for the Basic Grant Program requires the Office of Education to develop annually a formula for measuring this financial strength.

Although the law refers to this formula as the Family Contribution Schedule, the use of the term "family contribution" has, unfortunately, been found to erect a semantic barrier to program participation. Many low-income parents have read in Basic Grant literature that they have an expected family contribution of a given amount. Frequently these parents have assumed that the family contribution is an immediate, out-of-pocket requirement for participation in the program, and have therefore not permitted their children to complete processing of the Basic Grant application. To avoid this unfortunate situation, the term "Expected Family Contribution" is not used in documents sent to parents and students. Rather in its place, and having the same meaning for purposes of the program, is the term "Student Eligibility Index".

There are currently over 600 different need analysis systems in use for measuring family financial strength for purposes of distributing funds under Federal student aid programs. However, the intent of the Basic

Grant Program requires that all students be treated in a consistent manner on a National basis. Therefore, a formula has been developed by the Office of Education and approved by Congress which is applied to all students in the same way. For these reasons, there can be no individual discretion exercised to take into account special circumstances of students or their families. Of course, unusual circumstances affecting students and their families may and should be taken into account in the development of the student's total aid package.

II. THE BASIC GRANT FORMULA

The Basic Grant formula used for determining the student's eligibility index takes into account the following elements:

- A. Family Resources
 - Family Income
 - Family Assets
 - Student Assets
 - Student Special Income
- B. Other Factors
 - Family Size
 - Unusual Expenses
 - Employment Expenses
 - Number of Family Members in Post-High School Education
- C. Some of these elements may need further explanation:

Special income of the student - this refers to Federal benefits a student may receive from the Veteran's Administration because he or she is going on for education beyond high school.

Employment Expenses - when both parents in a family work or when there is only one parent who is head of the house-

hold, there are significant expenses incurred due to the fact that the parents (or single parent) are working and not at home.

These various elements are all taken into account when measuring the financial strength of a student and family. Of course some elements are weighed more heavily in this measurement than others. For instance, family income is a significant factor in determining the relative ability of a family to meet some of a student's cost of education. At the same time several other factors are considered with regard to family income: the size of the family, unusual expenses, employment expense. As these items increase, they result in increased expenses for a family and hence less income is available to help the student meet educational costs.

Family assets are also a good indication of financial strength. Thus assets, after debts and \$10,000 allowance are taken into account, are evaluated as well, though to a lesser extent than income.

Student assets are considered to be an important factor in determining the ability of a student to meet educational costs. Since a student's assets are available for his own use, a larger portion of his assets could be used for his cost than would be expected from his parents' assets.

If a student receives special income such as veterans administration

educational benefits, this is a significant element in his financial situation since it comes directly to the student because he is a student.

Since income is such an important part of a family's financial situation, it is felt that special consideration should be given when the allowances and expenses are greater than income. When such a "deficit" occurs, family assets will be assessed to a lesser extent than otherwise. It should also be noted that further adjustment will be made when measuring family financial strength where more than one family member will be attending a post-high school educational institution at the same time.

D. SUMMARY

In sum, the Basic Grant Program attempts to meet some portion of the student's financial need. Since some students have greater financial need than others, the financial situation of each student must be measured. This is done by applying a standard formula to the information the student submits on the Basic Grant application. The result of the processing of the student's application will be the determination of the student's financial need, which is a primary factor in establishing eligibility. Those students who have been determined to have financial need for purposes of the Basic Grant Program will be informed of their eligibility index. The eligibility index will provide the basis for calculating the amount of the student's Basic Grant. In addition to the Basic Grant a student may be able to receive other types of aid such as loans, scholar-

ships, and student employment in order to meet the total cost of education.

III. EXPLANATION OF CALCULATION OF THE STUDENT ELIGIBILITY INDEX

The calculation of the Student Eligibility Index is based upon one of two formulas, one for the dependent student and one for the independent student. The formula which is used to determine student eligibility is developed by the Office of Education and reviewed annually by Congress. As a consequence of this annual review process, the formula for the calculation of the Student Eligibility Index is likely to be modified from one year to the next. In this context, the changes which have been approved for use in the 1975-76 academic year are as follows:

1. The treatment of assets. In the 1975-76 academic year, the asset reserve will be increased from \$7,500 to \$10,000. Therefore, in determining the amount of assets which are included in the calculation of a student's eligibility index, we will first deduct any debts against the current market value of the assets and then deduct an asset reserve of \$10,000. The amount of remaining assets will then be subject to the current five (5) percent assessment rate.
2. The treatment of "effective income of the student". Effective income of the student is defined to be any amount paid to or on behalf of a student either under the Social Security Act which would not be paid to him if he were not a student and/or one-

half of any amount of educational benefits paid through the Veterans Administration. For the 1975-76 academic year, these benefits will be included in and treated as regular family income.

The result of this change will be to significantly increase the likelihood of social security recipients being eligible for the Basic Grant Program by treating these benefits in the same manner as other family income.

3. Family size offsets. We will continue to use the social security base in determining the family size offsets. These offsets will of course be increased by the 1974 Consumer Price Index.

4. The treatment of independent students. We are aware that the current (1974-75) Schedule, which uses previous year income information often creates problems for independent students who were employed in the base year and have left this full-time employment to enroll in postsecondary education. Therefore, the 1975-76 Schedule will permit those independent applicants, who were employed on a full-time basis during the base year, to file a Basic Grant Application (together with the Supplemental Form) using estimated 1975 income information.

The following is an item-by-item explanation of the steps to be followed in determining the Student Eligibility Index corresponding to the work

sheet at the end of this chapter. Sample case studies are included in Chapter 10 to illustrate specific features of the calculation.

A. CALCULATION OF ELIGIBILITY INDEX FOR DEPENDENT STUDENTS*

1. Parents' adjusted gross income in 1974 (line 1). All income which is available to the parents should be considered in the evaluation of parental ability to support the cost of postsecondary education. The most valid reference for parental income subject to Federal Income Tax is the adjusted gross income item in the family's Federal Income Tax Return (Line 15 of the 1974 IRS Form 1040 or Line 12 of the 1974 IRS Form 1040A). This information is readily available to most families and the information can be verified by referring to the IRS forms actually filed by the parents. If it may be assumed that family income will be measured on an annual basis, which year of family income shall be used? Parents provide from their current income for education of their children. However, if we attempted to use current year information, a parent would have to estimate the amount of income which he will receive during a year in which a child is a student since application for aid is made before the student enrolls for a particular year of study. A study of Orwig and Jones shows that income received during the tax year prior to the year in which the student is applying for aid is the best practical indicator of the income from which a student's actual expenses will be paid.** If estimates of the income

*Reference numbers are keyed to the line numbers in the work sheet.

**Orwig and Jones, "Can Financial Need Analysis be Simplified?" The American College Testing Program, Iowa City, Iowa.

received during the actual year of attendance are provided by parents, middle income families systematically underestimate their earnings, and lower income families systematically overestimate their earnings. The amount to be entered here, therefore, is from the previous year's Federal Income Tax Return. In addition, item one requests that the income earned through employment by the father and mother be reported separately. This information is used to determine whether or not the family is eligible for the employment expense offset.

2. Total other family income in 1974 (line 2). Information on other family income (that income which would not be reported as Adjusted Gross Income on the 1974 IRS Forms 1040 or 1040A) must also be collected since this income does clearly contribute to family financial strength and may represent a considerable portion of the parental income of many Basic Grant recipients. Elements of other family income are: Income from tax exempt bonds, that portion of pensions on which no Federal Income Tax is required, welfare benefits, all social security benefits (including those benefits paid to or on account of the student and other educational benefits paid to other members of the family), child support payments which are received for all children for whom the parents provide more than one-half support, income of families which did not file Federal Income Tax Returns, that portion of capital gains on which no Federal Income Tax is required, etc.
3. One-half of Veterans educational benefits (line 3). One-half of that amount of veterans readjustment benefits, and/or war orphan's benefits

paid to or on behalf of the applicant because he is a student, to be received between July 1, 1975 and June 30, 1976. The amount to be entered on line 3 is calculated as follows: Multiply the monthly amount of these benefits times the number of months for which these payments are expected to be received between July 1, 1975 and June 30, 1976, and divide the results by two (2).

Example:

\$230 (monthly payment) X 10 months = \$2,300

\$2,300 ÷ 2 = \$1,150

Enter \$1,150 in line 3

4. Annual adjusted income in 1974 (line 4). Annual adjusted income is the sum of parents' adjusted gross income (line 1) plus other family income (line 2) and one-half of Veterans educational benefits (line 3).

5. Parents' Federal Income Tax paid for 1974 (line 5). The legislation requires that a deduction be made from annual adjusted income, for the amount of Federal Income Tax paid on income received during the base year.

6. Effective family income in 1974 (line 6). The result of subtracting Federal Income Tax paid (line 5) from the annual adjusted income (line 4) is effective family income and is the base for calculating expected contribution from parental income.

7. Family size offset (line 7). In addition to taxes, a family has basic subsistence expenses which must be met before any contribution from income can be expected. These expenses will vary depending on size of the family involved.

In order to establish a standard for determining the amount of such subsistence expenses, the Basic Grant Program has adopted, during the initial year of operation, the "Weighted Average Thresholds at the Low-Income Level" as published by the Bureau of Census, as a reasonable approximation of family expenses.*** These expenses are based on the food costs of a family of a given size, and make certain assumptions about the additional expenses of shelter and other family needs. The amounts determined in this manner are called "Family Size Offsets".

These base line data have been updated annually to accommodate the increases in the Consumer Price Index as published by the Department of Labor. For the 1975-76 academic year, the family size offsets used during the 1974-75 academic year have been increased by 11.9 percent to reflect the rise in cost of living expenses from November 1973 to October 1974, and then rounded to facilitate calculation. The percentage increase is taken from the latest published Department of Labor Consumer Price Index statistics.

***From "Weighted Average Thresholds At the Low Income Level" in 1972 by size of family and sex of head, by farm-nonfarm residence; Current Population Reports, Consumer Income, Characteristics of the Low-Income Population; 1972, series p. 60, No. 91; December, 1972.

DERIVATION OF FAMILY SIZE OFFSETS

<u>Family Size</u>	<u>Family Size Offset</u>
2	3400
3	4100
4	5200
5	6150
6	6950
7	7700
8	8500 ^{1/}
9	9300
10	10,100
11	10,850
12	11,650

^{1/} Census Bureau Category "7 or more persons" are for 8 member family.
Values for family size 7-12 have been extrapolated.

8. Unusual expenses (line 8). The Basic Grant Program is required by law to take into consideration two kinds of unusual expenses; those arising from a "catastrophe" and "unusual medical expenses". It is proposed to use the Internal Revenue Service definitions of medical and dental expenses and casualty loss in determining "unusual expenses" for the Basic Grant Program. The use of Internal Revenue Service definitions avoids the need for creating a new definition of expenses which would be used only by the Basic Grant Program. However, some distinction must be made between expenses which may be itemized for income tax purposes and those itemized expenses which are "unusual" as used for the Basic Grant legislation.

For purposes of the Basic Grant Program, those items which may be included as unusual expenses are:

1. Those medical and dental expenses (not compensated by insurance or otherwise) which may be listed as "medicine and drugs" on line 2 of Schedule A, Form 1040 of the Internal Revenue Service and those expenses which may be listed as "Other Medical and Dental Expenses" on line 6 of Schedule A, Form 1040. The gross amount of all such medical, dental and drug expenses is to be used in the Basic Grant calculation.
2. The casualty or theft loss(es) permitted by the Internal Revenue Service (Form 1040, Schedule A, line 29.)

The amount of unusual expenses which may be deducted from effective family income (line 6 of this illustration) is that amount of unusual expenses (as defined above) in excess of 20 percent of effective family income. This exclusion is designed to confine claims for such expenses to those which are genuinely unusual.

9. Employment expense offset (line 9). In constructing budgets which recognize expenses for families, due provisions must be made for the expenses of the breadwinner which occur as a result of employment itself. Some expenses for clothing, transportation, and other items are attributable to occupational needs. When both parents work, additional employment expenses are incurred. Also, if a household is headed by a single parent, the costs associated with that employment are greater than for a comparable worker who has the economic advantage of a nonemployed spouse. Therefore, in the determination of the eligibility index an "Employment Expense Offset" has been constructed to treat more equitably the income of the two parent family where both parents work, or the single parent household. It is recognized that both of these types of families will occur frequently in the lower income families where Basic Grant eligibility is greatest. The offset provides that 50 percent of the earnings of the single parent, will be protected from any contribution toward education. The maximum offset is \$1,100 and would thus assure that up to \$30 a week would be available for the additional expenses which these parents face.

10. Total offsets against income (line 10). The sum of line 7 (family size offset) plus line 8 (unusual expenses) plus line 9 (employment expense offset) is the total amount which will be deducted from effective family income (line 6) in order to determine discretionary income.

11. Discretionary income (line 11). The income which remains after allowance has been made for family living expenses, Federal Income Taxes, unusual expenses, and the employment expense offset may be identified as discretionary income. This income is available for the purchases of goods and services which enhance the standard of living of the family, including the cost of postsecondary education. This income may be a positive or negative amount. If the discretionary income is a positive amount, some contribution will be expected in accordance with step 12. If the discretionary income is a negative amount, no contribution from income will be expected.

12. Standard income contribution rate (line 12). If line 11 is a positive amount, a standard contribution from income can be determined. A contribution of 20 percent is expected from the first \$5,000 of discretionary income. When discretionary income exceeds \$5,000, the expected income contribution is \$1,000 plus 30 percent of the amount in excess of \$5,000. The contribution rates will generally be at the 20 percent level for most of the income range where Basic Grant eligibility will occur.

These contribution rates appear reasonable in terms of the several demands made on family income especially in light of the fact that the cost of supporting the student for the academic year is included in the cost of education and does not have to be met from the general budget resources.

13. Net Assets of parents (line 13). For purposes of Basic Grants, the following types of assets will be considered: Equity in farm, business, home, other real estate, stocks, bonds, other investments, savings accounts, etc. Since equity is being measured, debts against the stated assets will be deducted in evaluating the net worth of these assets.

14. Asset reserve (line 14). In order to determine the amount of parental assets which can be considered in determining a contribution for educational purposes, an asset reserve of \$10,000 is subtracted from the net assets of the parents. Since families accumulate assets for several purposes including retirement, future consumption, and the postsecondary education of their children, a portion of assets should be reserved from any contribution toward postsecondary education, and remaining assets be assessed at some rate less than 100 percent. This \$10,000 asset reserve would also allow for emergencies and retirement needs.

15. Available parental assets (line 15). Subtracting line 14 (asset reserve) from line 13 (net assets of parent) results in available parental assets. If this is a negative amount, enter zero since there is no provision in the formula for a treatment of negative assets.

16. Asset assessment rate (line 16). Once the available parental assets have been determined, a contribution rate of 5 percent will be assessed on the parents' net worth in excess of \$10,000. Because the value of assets grows, this rate of asset assessment will generally leave the family's asset position largely unimpaired. A 5 percent rate is equal to or below current real estate and savings account appreciation rates, and therefore seems reasonable.

17. Parental contribution from assets (line 17). The result of multiplying the amount of net assets times the asset assessment rate represents the parental contribution from assets.

18. Adjustment for negative discretionary income of the family (line 18). In the event that the family has negative income, that is if the family's income is less than the sum of the various offsets against income, the support of basic family needs must be given priority over the support of postsecondary education. Therefore, the amount of the negative discretionary income of the family (as computed in line 11) is preserved to be subtracted from any contribution from parental assets as calculated above.

19. Offset from parental asset contribution for negative discretionary income (line 19). The total measure of available family resources in a particular year is the assessment of both income and assets of the family. This procedure takes into consideration the interdependent relationship

between assets and income. In the event that there is a negative assessment of income (e.g. offsets allowed (line 10) exceed total effective income (line 6)), the amount of negative assessment should be taken into account when determining the total measure of available family resources. This can be accomplished by offsetting the negative income component (line 18) against the expected parental contribution from assets (line 17). The resulting amount (if positive) represents the expected parental contribution from assets for educational purposes.

20. (line 20). Adding line 12 (family income component) to line 19 (parental asset component) provides the parental income and asset components of the eligibility index.

21. Multiple student adjustment (line 21). Adding the Family Income Contribution to the Parental Asset Contribution results in the expected contribution from parents with one family member in postsecondary education. Some adjustment must then be made for those families in which more than one family member will be enrolled in postsecondary education for the academic year 1975-76.

Since each student has an allowance for cost of attendance, the family's discretionary income is effectively increased when there is more than one family member in postsecondary education. In order to determine the appropriate percentages, the contributions expected from different family sizes were compared. These investigations indicated that 140 percent of the contribution for one student would be a reasonable assessment against

the family with two students. Thus, each student would receive 70 percent of the contribution which the family would make if there were only one student in the family. Similarly, 150 percent of the single student contribution seemed adequate for the family with three children in postsecondary education; each student could expect 50 percent of the single student contribution. For families with four or more students, each family will be assessed 40 percent of the single student contribution for each child in postsecondary education.

The following table summarizes the treatment of families with different numbers of family members in postsecondary education:

Number of students	Contribution per students as a percent of standard contribution	Family contribution for all students as a percent of standard contribution
1	100	100
2	70	140
3	50	150
4 or more	40	160+

22. Net assets of the student (line 22). The applicant's net assets would be defined in the same fashion as the assets of the parents. Debts against these assets would be deducted. Trust funds in the student's name would be included if the student is not legally restricted from having access to these funds.

23. Student asset assessment rate (line 23). In determining a fair treatment of student assets, the theory of the major need analysis systems has been followed; i. e., that because the student himself is the direct beneficiary of postsecondary education, he should be expected to invest a greater portion of his resources in meeting his educational costs than should be expected from his parents.

For the Basic Grant program, one-third of the student's assets (recalculated each year) would be expected. This method is simple and provides a modest reserve for the student.

The result of multiplying the student's net assets (line 22) by the student asset assessment rate (line 23) is that amount expected from student assets for educational purposes.

24. Student Eligibility Index (line 24). The Student Eligibility Index for a dependent student is determined by adding line 21 plus line 23.

A resulting Student Eligibility Index of 1200 or less means a student is eligible for a Basic Grant on the basis of financial need. Of course, before a student can receive a Grant, he or she must be enrolled in an eligible program of study offered by an eligible institution of postsecondary education.

B. CALCULATION OF ELIGIBILITY INDEX FOR INDEPENDENT STUDENTS*

For the purposes of the Basic Grant program during the 1975-76 academic year, independent (self-supporting) student status may be claimed if the applicant:

- (1) Has not been and will not be claimed as an exemption for Federal Income Tax purposes by any person except his or her spouse for 1974, 1975, and 1976, and
- (2) Has not received and will not receive financial assistance of more than \$600 (in cash or kind) from his or her parent(s) during 1974, 1975, and 1976, and
- (3) Has not lived or will not live for more than two consecutive weeks in the home of a parent during 1974, 1975, and 1976.

Once a student has been determined to meet all of these criteria and can be defined as an independent student, his eligibility index is calculated according to the process outlined below.

1. Adjusted gross income of applicant (and spouse) (line 1). All income which is available to the applicant (and spouse) should be considered in the evaluation of ability to support the cost of postsecondary education. The most valid reference for taxable income is the adjusted gross income item as reported on line 15 of the 1974 IRS Form 1040 or line 12 of 1040A. This information is readily available and can be verified by referring to the IRS forms actually filed.

*Reference numbers are keyed to the line numbers in the worksheet.

The decision as to which year's income is to be considered is a difficult one for independent students. Traditionally, a student's income may vary considerably from year to year. While it may be preferable to ask the student to estimate his earnings for the current year, recent studies have shown that estimated income is not a reliable base for determining student financial need. Since the Basic Grant system requires essentially no verification or intervention from financial aid officers, serious reservations exist to the categorical use of estimated income for all independent applicants. Therefore, it has been determined that the adjusted gross income to be considered is that amount entered on the previous year's Federal Income Tax Return. This also has the advantage of being consistent with the data collected for dependent students and assures that the eligibility index to all students is determined from the same base.

However, as a result of lengthy discussions and the experience gained during the first two years of program operation, the independent student may be permitted to report estimated income under special circumstances. Specifically, the independent student who applies for a Basic Grant for the 1975-76 academic year will be permitted to file using estimated 1975 income (rather than actual 1974 information) if that applicant was employed on a full-time basis during the base year and left that employment to enroll in postsecondary education.

In addition, item one requests that the income earned through employment by the applicant and his or her spouse be reported separately. This information is used to determine whether or not the family is eligible for the employment expense offset.

2. Total other income of applicant (and spouse) in 1974 (line 2). Information on other income (that income which is not included in 1974 Adjusted Gross Income) of the independent student must also be collected since this income does clearly contribute to financial strength and may represent a considerable portion of the income of many Basic Grant recipients. Elements of other income are: Income from tax exempt bonds, that portion of pensions on which no Federal Income Tax is required, that portion of capital gains on which no Federal Income Tax is required, welfare benefits, social security benefits, child support payments, veteran's disability, income of persons who did not file income tax returns, etc.

3. One-half of Veterans Educational Benefits (line 3). One-half of that amount of veterans Readjustment benefits and/or Widow's War Orphan's benefits, paid to or on behalf of the applicant because he is a student, to be received between July 1, 1975 and June 30, 1976. The amount to be entered on line 3 is calculated as follows:

Multiply the monthly amount of these benefits times the number of months for which these payments are expected to be received between July 1, 1975 and June 30, 1976, and divide the result by two (2).

Example:

\$230 (monthly payment) X 10 months = \$2,300

\$2,300 - 2 = \$1,150

Enter \$1,150 on line 3

4. Annual adjusted income (line 4). Annual adjusted family income is the sum of adjusted gross income (line 1), and other family income (line 2) and one-half of veterans educational benefits (line 3).
5. Federal Income Tax paid by applicant (and spouse) in 1974 (line 5). The legislation requires that a deduction be made from annual adjusted income for the amount of Federal Income Tax paid on income received during 1974.
6. Effective family income (line 6). The result of subtracting Federal Income Tax paid (line 5) from the annual adjusted family income (line 4) is effective family income.
7. Family size offset (line 7). In addition to taxes there are basic subsistence expenses which must be met before any contribution from income can be expected. These expenses will vary depending on the size of the family involved. For the single independent student, the offset is \$950 which covers the student's summer living expenses. Using the same base for deriving family size offsets as is used for multiple member families (Weighted Average Thresholds at the Low-Income Level) and adjusting for a 11.9% increase in the cost of living, the family size offset for a single member

family is \$2649 per year. Generally a student is in school for approximately 65 percent of the year (two 16-week semester plus a 2-week break between semesters). Since his expenses during this 34-week academic year are covered in his cost of attendance, the \$950 offset provides for his expenses during that period of time when he is not in school.

For married independent students and those with individual dependents, the family size offset is the same as that for the parents of dependent students:

FAMILY SIZE OFFSETS

<u>Family Size</u>	<u>Dollar Amounts</u>
1	950
2	3400
3	4100
4	5200
5	6150
6	6950
7	7700
8	8500 ^{1/}
9	9300
10	10,100
11	10,850
12	11,650

^{1/} Census Bureau category "7 or more persons" are for 8 member family. Values for family size 7-12 have been extrapolated.

8. Unusual expenses (line 8). The Basic Grant Program is required by law to take into consideration at least two kinds of unusual expenses: those arising from a "catastrophe" and "unusual medical expenses." It is proposed to use the Internal Revenue Service definitions for medical and dental expenses and casualty loss(es) to constitute "unusual expenses" for

the Basic Grant Program. The use of Internal Revenue Service definitions avoids the need for creating a new definition of expenses which would be used only by the Basic Grant Program. However, some distinction must be made between expenses which may be itemized for income tax purposes, and those itemized expenses which are "unusual" for Basic Grants.

For purposes of the Basic Grant program those items which may be included as unusual expenses are:

1. Those medical and dental expenses incurred during the base year (not compensated by insurance or otherwise) which may be listed as "medicine and drugs" on line 2 of Schedule A, Form 1040 of the Internal Revenue Service and those expenses which may be listed as "Other Medical and Dental Expenses" on line 6 of Schedule A, Form 1040. The gross amount of all medical, dental and drug expenses may be listed.

2. In addition, those casualty or theft loss(es) incurred during the base year permitted by the Internal Revenue Service (Form 1040, Schedule A, line 29).

The amount of unusual expenses which may be deducted is that amount of unusual expenses (as defined above) in excess of 20 percent of the effective family income. This exclusion is designed to confine claims for such expenses to those which are genuinely unusual.

9. Employment expense offset (line 9). In constructing budgets which recognize minimum expenses for families, provision must be made for the expenses of the breadwinner which occur as a result of employment itself. Some expenses for clothing, transportation, food, and other items are attributable to occupational needs. When two persons work, additional employment expenses are incurred. Also, if a household is headed by a single person, the costs associated with that employment are greater than for a comparable worker who has the economic advantage of a nonemployed spouse. Therefore, in the determination of the eligibility index an "employment expense offset" has been constructed to treat more equitably the income of the two-person family where both persons work during the base year, or the single person who heads the household during the base year. It is recognized that both of these types of families will occur frequently in the lower income families where Basic Grant eligibility is greatest. The offset provides that 50 percent of the earnings of that person with the lesser earnings, or 50 percent of the earnings of the single head of household, will be protected from any contribution toward education. The maximum offset would be \$1,500 and would thus assure that up to \$30 a week would be available for the additional expenses which these persons face.

10. Total offsets from income (line 10). The sum of line 7 (family size offset) plus line 8 (unusual expenses) plus line 9 (employment expense offset) is the total amount which can be deducted from effective family income (line 6) in order to determine discretionary income.

11. Discretionary income (line 11). The income which remains after adjustment has been made for family living expenses, Federal Income Taxes, unusual expenses and the employment expense offset may be identified as discretionary income. This income is available for the purchase of goods and services which enhance the standard of living of the family, including postsecondary education. This income may be a positive or negative amount. If the discretionary income is a positive amount, a contribution from income will be expected in accordance with step 12. If the discretionary income is a negative amount, no contribution from income will be expected.

12. Standard income contribution rate (line 12). If line 11 is a positive amount a standard contribution from income can be determined. Because of the direct benefits of postsecondary education received by the independent student, the expected contribution rate for such students from income has traditionally been much greater than the rate applied to the discretionary income of the parents of dependent students. In fact, the independent student has usually been expected to use all of his discretionary income for educational purposes.

In developing a system for the Basic Grants program, it was felt that a 100 percent contribution rate was excessive, especially for independent students with family responsibilities.

The following income contribution schedule was developed to accommodate these responsibilities:

(a) 75 percent of discretionary income for the single independent student with no dependents.

(b) 50 percent of discretionary income for the married independent student with no dependents other than spouse.

(c) 40 percent of discretionary income for independent students who have dependents other than spouse.

13. Net assets of applicant (and spouse) (line 13). For purposes of Basic Grants, the following types of assets will be considered: Equity in farm, business, home, other real estate, stocks, bonds, other investments, savings accounts, etc. Since equity is being measured, debts against the stated assets will be deducted in evaluating the net worth of these assets.

14. Asset contribution rate (line 14). In determining a fair treatment of student assets, it has been assumed that since a student is the direct beneficiary of postsecondary education, he should be expected to invest a portion of his resources in meeting his educational costs. Therefore, one-third of the student's assets (recalculated each year) would be expected. This method is simple and provides a modest reserve for the student.

The result of multiplying the student's net assets (line 13) by the student asset assessment rate is that amount expected from student assets for educational purposes.

15. Adjustment for negative discretionary income of the applicant (and spouse) (line 15). In the event that the family has negative income, that is if the family's income is less than the sum of the various offsets against income, the support of basic family needs must be given priority over the support of postsecondary education. Therefore, the amount of the negative discretionary income of the applicant (and spouse) (as computed in line 11) is preserved to be subtracted from any contribution from the student's assets as calculated above.

16. Offset from applicant's (and spouses') asset contribution for negative discretionary income (line 16). The total measure of available family resources in a particular year is the assessment of both the income and assets of the applicant (and spouse). This procedure takes into consideration the interdependent relationship between assets and income. In the event that there is a negative assessment of income (e.g. offsets allowed (line 10) exceed total effective income (line 6)), the amount of negative assessment should be taken into account when determining the total measure of available family resources. This can be accomplished by offsetting the negative income component (line 15) against the independent student's assets (line 14). The resulting amount if positive, represents the applicant's (and spouses') contribution from assets for educational purposes.

17. Standard Contribution from Income and Assets (line 17). The amount

of standard contribution from applicant's and spouses' income (line 12) and the amount of contribution from the assets of the applicant and spouse (line 16) are to be combined to determine the amount of expected contribution from their income and assets for educational purposes.

18. Multiple student adjustment (line 18). Adding the income contribution from annual adjusted family income to the asset contribution results in the expected contribution for one family member in postsecondary education from family income and assets. Some adjustment must then be made for those families in which more than one family member will be enrolled in postsecondary education for academic year 1975-76.

The adjustments used for the dependent student may also be used for the independent student. The use of the same adjustments for both groups of students assures consistency of treatment, and implements the general principle that a family with more than one person in postsecondary education should contribute less per person than a family with only one member engaged in such study.

19. Student eligibility index (line 19). The student eligibility index for an independent student equals the amount calculated on line 18. A resulting Student Eligibility Index of 1200 or less means a student is eligible for a Basic Grant on the basis of financial need. Of course, before a student can receive a grant, he or she must be enrolled in an eligible program of study offered by an eligible institution of postsecondary education.

CALCULATION OF ELIGIBILITY INDEX
FOR DEPENDENT STUDENTS, ACADEMIC YEAR 1975-1976
SUMMARY OF CALCULATION

1. Parents' adjusted gross income in 1974.			
a. Amount earned by father.			
b. Amount earned by mother.			
2. Total other family income in 1974.		+	
3. One-half of Veterans Educational Benefits (to be received between July 1, 1975 and June 30, 1976).		+	
4. Annual Adjusted Income (lines 1+2+3).		=	
5. Parents' Federal Income Tax paid for 1974.		-	
6. Effective family income.		=	
7. Family size offset. (Table 1)	+		
8. Unusual expenses.	+		
9. Employment expense offset (Table 3).	+		
10. Total offsets against income (lines 7+8+9).			
11. Discretionary income (line 6 minus line 10).			
12. If line 11 is a positive amount, multiply discretionary income by applicable rate (\$1 - \$4999 @ 20%; \$5000 or more, \$1000 + 30% of amount in excess of \$5000) to obtain standard contribution from income. If line 11 is a negative amount, enter 0.			
13. Determine net assets of parents.			
14. Subtract asset reserve.		- 10,000	
15. Available parental assets (line 13 minus line 14).		=	
16. Multiply available parental assets by 0.05.			
17. Enter line 16 as standard contribution from available parental assets. If line 16 is negative, enter 0.			
18. If line 11 is a negative amount, enter that amount as a positive number; otherwise enter 0.			
19. Subtract line 18 from line 17 to obtain contribution from parental assets. If negative number, enter 0.			
20. Add lines 12 and 19 to obtain contribution from family income and parental assets			
21. Multiply line 20 by multiple student rate to determine expected family contribution for each family in postsecondary education. (Table 2)			
22. Determine net assets of student.			
23. Multiply student's net assets by 0.33.			
24. Student Eligibility Index equals sums of lines 21 and 23.			

CALCULATION OF ELIGIBILITY INDEX FOR INDEPENDENT
STUDENTS, ACADEMIC YEAR 1975-1976
SUMMARY OF CALCULATIONS

1. Adjusted gross income of applicant (and spouse) in 1974 _____
 - a. Amount earned by applicant. _____
 - b. Amount earned by spouse. _____
2. Total other family income in 1974. + _____
3. One-half of Veterans Educational Benefits (to be received
between July 1, 1975 and June 30, 1976). + _____
4. Annual adjusted Income (lines 1+2+3). = _____
5. Federal Income Tax Paid for 1974. - _____
6. Effective family income. = _____
7. Family size offset. (Table 1). + _____
8. Unusual Expenses. + _____
9. Employment expense offset. (Table 3). + _____
10. Total offsets against income (lines 7+8+9). _____
11. Discretionary income (line 6 minus line 10). = _____
12. If line 11 is a positive amount, multiply discretionary
income by applicable rate to obtain standard contribution
from income. If line 11 is a negative amount enter 0. _____
13. Determine net assets of applicant (and spouse). _____
14. Multiply amount of assets of applicant (and spouse),
entered in line 13 by 0.33 to obtain standard
contribution from assets. _____
15. If line 11 is a negative number, enter as a positive number;
otherwise enter 0. _____
16. Subtract line 15 from line 14 to obtain standard contribution
from student assets. If negative number, enter 0. (Table 4). _____
17. Add lines 12 and 16 to obtain standard contribution from
income and assets. _____
18. Multiply standard contribution by multiple student rate
to determine expected family contribution from each
member in postsecondary education. (Table 2). _____
19. Student Eligibility Index equals line 18. _____

REFERENCE TABLES FOR DETERMINATION OF STUDENT
ELIGIBILITY INDEX

TABLE 1

Family Size Offset	
<u>Family Size</u>	<u>Dollar Amounts</u>
1	950
2	3400
3	4100
4	5200
5	6150
6	6950
7	7700
8	8500
9	9300
10	10,100
11	10,850
12	11,650

TABLE 2

Multiple Student Calculation Rate	
<u>Number in</u> <u>Postsecondary</u> <u>Education</u>	<u>Calculation</u> <u>Rate</u>
1	100%
2	70%
3	50%
4 or more	40%

TABLE 3

Employment Expense Offset			
Dependent Student		Independent Student	
Both Parents Employed	Single Head of Household	Student & Spouse Employed	Single Head of Household
50% of Lesser Income, not to Exceed \$1500	50% of Income, Not to Exceed \$1500	50% of Lesser Income, Not to Exceed \$1500	50% of Income, Not to Exceed \$1500

TABLE 4

For Independent Students	
Rates to determine Contribution from Income	
<u>Type of Family</u>	<u>Rate</u>
Single Student	75%
Married with spouse only	50%
With dependents other than spouse	40%

CHAPTER 6

STUDENT ELIGIBILITY REPORT

- I Overview
- II Section 1
- III Section 2
- IV Section 3
- V Section 4

CHAPTER 6

STUDENT ELIGIBILITY REPORT

I. Overview

When students submit their "Application for Determination of Basic Grant Eligibility" to the processing agency, their eligibility index is calculated. Within 4 weeks of the date students file the form they will receive a "Student Eligibility Report". This "SER" is the students' official notification which can then be submitted to the institution in which they are interested in enrolling. (See Chapter 9 for a copy of the SER.)

A. Functions

The SER is really a multi-purpose document which will serve the following functions:

1. It notifies students of the amount of their eligibility index.
2. It provides the student with the key data elements (from his or her application form) which were used in the calculation of the eligibility index in order that any clerical or arithmetical errors may be easily corrected.
3. It is the document which the student's institution will use to calculate the student's Basic Grant award and the form becomes the institution's record on the student.
4. It is the document which becomes the institutional certification that the student is eligible.

B. Sections

There are four sections on the SER:

Section 1 -- Provides the key items from the application form submitted by the student. This information will be printed on this section by the processing agency.

Section 2 -- Provides the student with the eligibility index. This will also be completed by the processing agency.

Section 3 -- Provides information on the preliminary award calculation. This section is completed by the institution.

Section 4 -- Provides information on the final award to be given the student. This is also the section in which the school certifies that the student is eligible to receive a Basic Grant.

Since each section of the SER has a special function, there are certain additional points to be noted.

II. Section 1

The information that the student submitted on the application has been reproduced in this section. Since the calculation of the student's eligibility index will be based on this information, it is critical that every item be correct. When reviewing the data in Section 1, special attention should be paid to the following potential problem areas. The

instructions that accompany the application should be consulted for thorough directions on completing these items.

Total Size of Applicant's Household (Box d)

For independent applicants this is very important and should include the applicant and all members of the applicant's household.

Number in Post-High School Education in 1975-76 (Box e)

For independent applicants, this item should always be at least one, but rarely equals the total size of the applicant's household as reported in Box d.

Citizenship (Box f)

To be eligible for the Basic Grant Program, the applicant must be a U.S. citizen or be in the United States for other than a temporary purpose and intend to become a permanent resident of the U.S. or be a permanent resident of the Trust Territories of the Pacific Islands. If the applicant does not fit in any of these categories, he should not complete the application form. See page 4-24 for additional information.

Total Size of Parents' Household (Box h)

For dependent students, this should always be at least two, including the applicant. In those cases where the applicant's

parents are separated or divorced, it should include the applicant, that parent who provides the greater portion of the applicant's support, and all persons for whom that parent provides more than one-half of their support.

Number in Post-High School Education (Box i)

For dependent applicants, this item should always be at least one, but would very rarely equal the total size of the parents' household.

Post-High School Attendance Before April 1, 1973 (Box n)

To be eligible for the Basic Grant Program, the applicants must have begun their post-high school education after April 1, 1973.

If applicants attended a college, university or post-high school vocational/technical school at any time before April 1, 1973, they should not complete the application form. For exceptions to this eligibility requirement, see page 3-4.

Adjusted Gross Income (Box t)

This item should not include any non-taxable income that was also reported in "Other Income Received in '74" (box w). Generally, it should also approximately equal the total of "Portions Earned By" (boxes u and v) for mother and father (or applicant and spouse in the case of the independent student).

Monthly Amount Applicant Will Receive From Veterans Benefits (box aa)

Students should enter the amount of veterans educational benefits they expect to receive per month between July 1, 1975 and June 30, 1976. Students should also include the amount per month they expect to receive under the War Orphans' and Widows' Education Assistance Program. In either case, only those amounts that will be received because the applicant is a student.

Asset Data (boxes cc through kk)

It is important to make sure that no item is reported twice. If home was listed under "Home Value" (box cc), it should not be reported again under "Farm Value". It is also highly unlikely that two different assets would have the same value. If the parents are separated or divorced, only the portion of family assets owned by the parent providing the greater portion of the applicant's support should be reported. In the case of reporting savings and checking accounts, the balance as of the date of submitting the application should be reported.

If any of the information appearing in any of these boxes is incorrect, the student should cross out the wrong data and enter the correct information above it. Then he MUST sign the certification statement on the reverse side of the SER. It is important to note that any corrections or

additional information will not be considered and the application will not be processed unless the certification statement is signed. One corrected copy of the SER should be sent to: BEOG, P.O. Box C, Iowa City, Iowa 52240. A new report will be sent to the student shortly.

III. Section 2

This section contains the results of the processing of the student's application. If the applicant is determined to be eligible, the student's eligibility index will be printed in this section. Students should not confuse the eligibility index with the Basic Grant award. The eligibility index is used only to determine the amount of the Basic Grant award. The actual amount of the award will be calculated by the institution in which the student enrolls.

1. Instructions

One of three Parts (A, B, or C) will be indicated in this section and the student is instructed to see the reverse side of the SER for additional instructions.

If Part A is indicated, the student has been determined to have financial need for purposes of the Basic Grant Program. The instructions under Part A on the reverse side of the SER remind the student to:

1. Check the information printed in Section 1 of the SER.

If all of the information in Section 1 is correct, the student is instructed to go to Step 2.

If any information in Section 1 is not correct, the student is instructed to cross out the incorrect data and enter the correct information above it. The student is reminded that corrections will not be processed unless the certification statement is signed.

2. In step 2 the student is told that he will be eligible to receive a Basic Grant if he is enrolled or will be enrolled in an eligible program of study at an eligible institution of postsecondary education.

If Part B is indicated, the student's index is too high to receive consideration for a Basic Grant award. The instructions under Part B on the reverse side of the SER request that the student:

1. Check the information printed in Section 1 of the SER.

If all of the information in Section 1 is correct, the student is instructed to go to step 2.

If any information in Section 1 is not correct, the student is instructed to cross out the incorrect data and enter the correct information above it. The student is reminded that in order for corrections to be processed the certification statement MUST be signed.

2. The student is told that he is not eligible for a Basic Grant and that he should contact his financial aid officer regarding information on other Federal, state, and private sources of financial assistance for which he may be eligible.

If Part C is indicated, the application which the student submitted contained conflicting or insufficient information and an eligibility index could not be computed. The message(s) printed below the item request information regarding certain questions from the application and must be completed before an eligibility index can be computed. The instructions under Part C on the reverse side of the SER request the student to:

1. Check the information printed in Section 1 of the SER.

If all of the information is correct, the student is instructed to go to step 2.

If any of the information is not correct, the student is told to cross out the incorrect data and enter the correct information above it.

2. In step 2 the student is asked to complete the questions as requested and then sign the certification statement. In order for corrections to be processed the certification statement MUST be signed.

2. Additional Information

In many cases, in addition to the information that directly conveys the status of the student's application for a Basic Grant, there will be other comments printed in Section 2. These comments will refer to certain assumptions that were made when there was just enough information on which to base a calculation of eligibility. For instance, if the independent applicant did not answer the question on the total size of his household, the size is assumed to be two if the applicant checked "married" for marital status. It is very important that all such assumptions be read carefully, since they make a significant difference in the calculation of the student's eligibility index. Of course if any of these assumptions are incorrect, corrections should be made directly on the SER according to the instructions on the reverse side.

IV. Section 3

The purpose for the Preliminary Award is to provide a student with information regarding the amount of the Basic Grant available to him at a particular institution. In this way students may be able to determine, in advance, the amount of aid they may receive prior to making a final decision as to where they will enroll.

The calculation of the student's Preliminary Scheduled BEOG Award is accomplished in this section. Item 1, Total Student Cost, is calculated

based on the full academic year. Additional information regarding Total Student Cost can be found in Chapter 7. Item 2, Eligibility Index, will have been automatically entered by the processing agency. Preliminary Scheduled BEOG Award, is computed using the 1975-76 Payment Schedule issued by the Office of Education. When the institution returns one copy of the SER to the student indicating the amount of the preliminary award, the school should, of course, enter its name in this section for the student's information. Since students are permitted to submit a xerox copy of their SER for calculation of their preliminary award, the institution may want to make a copy of this document for its own records before returning the SER to the student.

V. Section 4

Section 4 includes the determination of the student's final award and certification of student eligibility. It is completed at the time of the student's official enrollment. If the student submitted a xerox copy previously, an official SER must be submitted for calculation of the final award.

1. The student's final award will be the same as his preliminary award except when the student's costs have changed. Generally, though, Item 4, Total Student Cost will equal the amount calculated earlier for Item 1. In this case the Scheduled BEOG Award, Item 6, will be

the same as Item 3. If Total Student Cost has changed due to some change in one of the cost components, the Payment Schedule should be consulted for determination of the Scheduled BEOG Award, Item 6. At this point it is critical that Item 7, Expected Disbursement, be completed as well. Expected Disbursement will generally equal the Scheduled BEOG Award, but there are some cases when the student will not actually receive the full amount of the final award. This would occur if: (a) the student's course of study is for six or seven months; (b) the student will be enrolled for less than a full school year (e.g., the second semester only); (c) the student's school year is more than 12 months in length; and, (d) the student's school year extends beyond June 30 of the particular year. For example, during the 1975-76 academic year, payment of that year's award can only cover the period of enrollment through June 30, 1976. A new application would be submitted to cover the period beginning July 1, 1976. For calculation of the student's Expected Disbursement in the instances outlined above, see Chapter 7 starting with page 7-8.

2. In the second half of Section 4 some additional information is requested. Item 8 concerns the date that student officially enrolled. Item 9 requests the institution's Entity Number. In Item 10, the official number assigned by the Office of Education to the institution is entered. The institution also is asked to certify (to the best of its knowledge) that

the student is eligible to receive a Basic Grant award. The student must be enrolling in an eligible program. "Eligible program" is discussed on page 3-7. When an institutional representative completes and signs this part of the SER, the applicant's copy is returned to him and the school retains the other two copies.

CHAPTER 7

AWARD DETERMINATION PROCESS

- I Critical Factors Affecting Award
- II Cost of Attendance
- III Payment Schedule
- IV Exceptions to Payment of Full Award
- V Total Award Package
- VI Transfer Students
- VII Institutional Disbursement to Students
- VIII Refunds
- IX Discrepancies in Applicant-Reported Information
- X Alternate Disbursement System
- XI Monthly Applicant Roster
- XII Student Affidavit

CHAPTER 7

AWARD DETERMINATION PROCESS

I. Critical Factors Affecting Award

There are three critical factors which determine the amount of the student's Basic Grant:

- A. The amount of the eligibility index;
- B. The total cost of attendance at the institution the student wishes to attend (which affects the limitation on payment of the award); and
- C. The amount of the appropriation for the program (which determines if any reduction is to be made in the amount of the student's award).

II. Cost of Attendance

A. Actual Costs

The legislation specifies that cost of attendance will include the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting) and books. While many of these costs can be determined at the time the student's award is calculated, other costs such as commuting expenses and books can only be estimated at that point. The allowable costs, therefore, include both the actual amount charged to the student where it is possible to obtain such information and standard allowances for those other cost items.

B. Elements to be included in costs of attendance:

1. tuition
2. fees
3. living expenses
4. miscellaneous expenses.

C. Tuition

The actual amount of tuition charged by the institution to the student will be included with the following provisions:

1. The tuition charge may include any additional amount charged to "out-of-State"; "out-of-district" students.
2. The tuition charge may include any costs of field trips (within the United States) which are required for all students taking a particular course of study if these costs are normally included in tuition charges.
3. Any costs associated with student travel to and from his residence and the institution are not permitted to be included in tuition charges.

D. Fees

Fees are treated in the same manner as tuition. That is, the amount of fees actually charged to the student will be included.

The provisions for tuition are also applied to fees with the following addition:

Fees which are included in costs of attendance must be those charged to all students (i.e., laboratory fees); all students within a certain class of study (i.e., laboratory fees); or, those fees required of a certain class of students (i.e., out-of-state fees).

E. Living Expenses

1. For students who contract for room and board with the institution, the actual amount charged by the institution is included in the cost of attendance.
2. For students who contract for room facilities with the institution but who pay their own food costs, the actual amount charged by the institution for room and an allowance for board are included in the costs of attendance.
3. For students who contract for board costs with the institution but who pay their own room expenses, the actual amount charged by the institution for board and an allowance for room is included in costs of attendance.
4. Students who do not contract for room and board with the institution are provided an allowance for room and board costs.
5. For students who contract for room and/or board with the institution for less than seven days per week, a daily rate can be

computed for those days not covered by the contract. The amount calculated for those days which are not covered by the contract would be added to that cost already covered.

For instance, if the per-day rate is \$2, and the student has a five-day board contract with the school, the school will multiply the per-day rate times the number of days not covered by the contract (\$2 times 2 days = \$4) and add that amount to the total per-week charge (\$10 and \$4 = \$14). This new per-week amount would then be multiplied times the number of weeks of the school year in order to determine the student's total cost.

F. Miscellaneous Expenses

A standard allowance will be used for miscellaneous expenses incurred by the student, including books, supplies, transportation, etc.

NOTE: For eligible students who are incarcerated, only that portion of miscellaneous expenses established for books and supplies will be allowed. For the 1974-75 academic year, the allowance for books and supplies was \$150.

The actual level of the standard allowances will be established annually by the U.S. Office of Education.

III. Payment Schedule

A. Introduction

The reduction language as established by the authorizing legislation and the limitations on payments make the determination of the amount of the student's award a very complicated procedure. The payment schedule developed by the Office of Education has already accounted for these factors.

The payment schedule will be a simple table which shows the amount of a student's award at a given eligibility index and cost of attendance.

B. How the payment schedule is developed

In developing the payment schedule, the Office of education estimates the total demand for Basic Grants taking into account such factors as: student enrollment by income; institutional charges; and the appropriate formula for determining the student's eligibility index.

The result of analyzing these data permits the Office of Education to develop an estimate of the total demand which can then be compared to the appropriation. If appropriate, the reduction language is applied in order to develop the payment schedule. (The reduction language can be found at the end of this chapter).

Of course, once the payment schedule is issued, the level of awards will be honored for that full academic year.

In determining the student's award, the institution will simply locate on the SER the student's eligibility index, determine the student's cost of attendance, and refer to the payment schedule for the amount of the Basic Grant.

A sample payment schedule follows:

SAMPLE PAYMENT SCHEDULE

Eligibility Index

	1	50	100	150	
0	to	to	to	to	etc.
	49	99	149	199	

Cost of Attendance

1300-1349

1350-1399

1400-1449

1450-1499

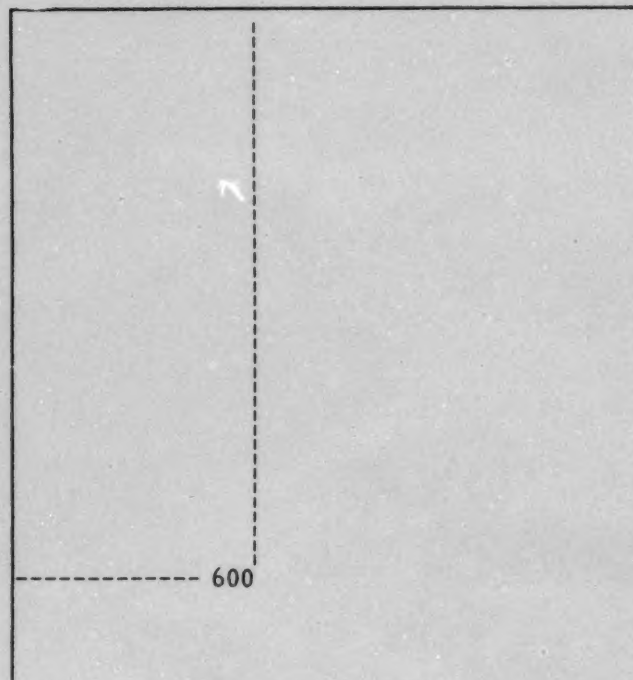
1500-1549

1550-1599

1600-1640

1650-1699

etc.



(The level of standard cost allowances and the Payment Schedule for the 1975-76 academic year had not been finalized at the time that the Handbook went to press. This information will be distributed to all institutions of postsecondary education as soon as it is available.)

IV. Exceptions to Payment of Full Award

It should also be noted that in some cases the student will not actually receive the full amount of the final award. This would occur if:

1. the student's course of study is for six or seven months;
2. the student will be enrolled for less than a full school year (e.g., the second semester only);
3. the student's school year extends beyond June 30 of the particular year. (For example, during the 1975-76 academic year, payment of that year's award can only cover that period of enrollment through June 30, 1976. A new application would be submitted to cover the period beginning July 1, 1976.)
4. the student's school year is longer than twelve months in length.

Each of these exceptions are discussed in greater detail in the sections that follow.

A. Calculation of Basic Educational Opportunity Grant Award for Less Than a Full School Year.

An eligible program must be at least 6 months in length. At the same time,

a school year generally must be at least 8 months in length. In order for a student to receive the full amount of his grant he must be in attendance for a full school year, provided that the school year falls within an academic year. (If the school year spans two academic years, see C below.)

1. Those students who are enrolled in programs which are at least 6 months but less than 8 months in length will not receive a full grant. The amount of their grants will first be calculated as if they were in attendance for a full school year, but will then be reduced in the same proportion as the length of the program bears to 8 months.

For instance, if a student is enrolled in an eligible program which is 6 months in length, his grant would be first calculated for the full school year. However, he would only be awarded six-eighths or three-quarters of that amount initially calculated.

2. Similarly, if a student is enrolled for a portion of a school year during an academic year, i.e., one semester, his Basic Grant will be calculated on the basis of his attendance for a full school year, but will be reduced in the same proportion as the length of time which he is enrolled in the academic year bears to the length of time of the school year.

B. Calculation of Basic Educational Grant awards for a school year which is longer than twelve months in length.

All eligible programs of study which are longer than twelve months in length shall be considered to be twelve month programs for purposes of calculating awards.

In determining the amount of a student's award, the following process will be followed:

1. Calculate the full Basic Grant for which the student is eligible for the first academic year.
2. Determine how many months the student is enrolled between July 1 and the subsequent June 30. (For instance, a student enrolled in an eighteen-month course which begins in September would be enrolled nine months between July 1 and the subsequent June 30).
3. Express that number of months as the numerator in a fraction with 12 as the denominator ($9/12$).
4. The student would then receive $9/12$'s or $3/4$'s of his total award for that academic year.
5. The process is then repeated for the subsequent academic year, using a newly calculated grant for the second academic year.

C. Calculation of Basic Educational Opportunity Grant awards for a school year which spans two academic years.

When the situation occurs where a student's school year spans two academic years, awards will be calculated in the following manner:

1. At the time that the student initiates his school year (i.e. April) his award is calculated on the basis of the family contribution schedules and payment schedules in effect for that academic year. The award would be calculated for a full academic year.
2. The student's award would be disbursed to him in installments in proportion to the number of months remaining in his school year until June 30. A student who enrolled in April would then receive a payment equal to 3 months of his total award.
3. In order to receive an award after July 1, the student would submit a Basic Grant application form for the subsequent academic year.
4. Upon receipt of the notification received as a result of this second application, the institution will calculate the student's award based on the payment schedule effective for that academic year.
5. The student's award will then be disbursed on the basis of the months remaining in the student's school year.

NOTE: Examples demonstrating the method of calculating awards in cases A, B, and C can be found in Chapter 10, Sample Cases.

V. Total Award Package

Every student who meets all of the eligibility criteria for the Basic Grant Program is entitled to his Basic Grant without regard to any other student financial aid he may receive. Where the financial aid is administered and controlled by the school, it is the financial aid officer's responsibility to make any necessary adjustments in the other aid awarded to the student.

If the other aid is not controlled by the institution, the student's aid package may, in fact, exceed his computed need. However, no eligible student may be denied his Basic Grant on the basis of his receiving other financial aid.

VI. Transfer Students

The calculation of awards for transfer students is handled in the same manner as all other Basic Grant recipients.

Students who transfer to an eligible institution during an academic year will need to submit a duplicate SER to the new school. Upon receipt of the SER, the institution will calculate the amount of the student's award on the basis of the student's eligibility index and cost of attendance by using the Payment Schedule appropriate for that academic year.

Of course, the transfer student's award (as indicated on the Payment Schedule) may have to be reduced in accordance with the provisions discussed in Section IV of this Chapter (pp. 7-8 through 7-11).

It is important to note that it is not necessary for the second school to obtain any information or documentation from the first school with regard to any disbursements of funds made to a transfer student.

VII. Institutional Disbursement to Students

A. Method of Disbursement

In order to facilitate the institutional role in the disbursement of Basic Grant awards to students, the institution is free to utilize its own system for making student assistance payments with the following provisions:

1. Those institutions which have academic terms such as semesters, trimesters, quarters or other similar definable breaks in their academic year, must make equal payments at least once each term. Institutions which do not utilize such academic terms must make not less than two equal payments, once at the beginning and once at the midpoint of the academic year. It should be noted that "equal payments" may be rounded in order to avoid making awards of odd amounts. For instance, a student whose "Expected Disbursement" is \$435 may receive payments of \$218 and \$217.
2. Actual payments to the student may be made by check to the

student directly or by credit to the student's account for tuition, fees, and room and/or board facilities contracted for with the institution. If the latter method is utilized, the payments must be supported by a signed receipt from the student and a clearly identified credit entry to the student's account.

B. Period of Award

A student is eligible to receive a Basic Grant award based on the period of time he is enrolled. If the student is enrolled and is eligible for a full academic year, payment will be made for that entire period so long as his Student Eligibility Report is submitted before the end of his academic year. For example, a student may submit an SER well into his second semester and still receive an award for the full period of his enrollment during the academic year. In cases where this provision is applied, the institution may make the award in a lump-sum payment to cover the term(s) which has ended and the term in which the SER is submitted.

In those cases where the student's period of enrollment overlaps two academic years (for instance, the school year extends from February 1 to August 30) and the length of enrollment in one of the two academic years is less than three months, only one payment need be made.

C. Overpayment of a Basic Grant Award

An overpayment is any amount paid to a student which is in excess of

what that student is entitled to receive. A payment of a Basic Grant award to an ineligible student is one type of overpayment. Another type of overpayment is a payment of a Basic Grant award which is mistakenly taken from the Payment Schedule.

While it is expected that the institution will make every reasonable effort to assist the Commissioner in recovering any overpayment which may occur, the institution will assume no responsibility for any non-recovered funds unless the overpayment was made in a manner contradictory to the Regulations and other instructions issued by the Commissioner.

Since the institution is entitled to rely on information provided by the student in making a finding on student eligibility, the institution assumes no responsibility if a student is awarded a Basic Grant as a result of submitting false data. On the other hand, if a student receives an award which is a higher amount than he would be entitled to receive due to an error on the part of the institution such as the misreading of the Payment Schedule, the school would assume liability for that overpayment since the Regulations and instructions of the Commissioner are clear in this regard.

VIII. Refunds

The purpose of the Basic Grant refund policy is to determine that portion

of any institutional refund that is to be restored to the Basic Grant account when a student withdraws from school. Therefore, the Basic Grant refund policy only applies when the institution has determined, under its own policies, that a refund is due the student.

The basic premise considered in the development of this refund policy is that a student's need is determined by comparing the family's ability to meet the costs of postsecondary education and the total amount of these costs. Once the student's need is determined, the financial aid officer is then able to develop a "financial aid package" to meet this need. As a result, the funds used by the student to pay for educational expenses may come from a variety of sources including the student's parental contribution, the student's own resources, and any combination of student aid programs. Therefore, in most cases, it is not possible to differentiate among the funds used by the student to meet his or her educational costs. In other words, since the amount of need is based on the student's total cost of education (as determined by the institution) it is generally not possible to specify that funds from a particular source are used to meet a specific cost. It is important to note that in applying the Basic Grant refund policy, the cost of education used is that amount which the institution calculates to be the student's budget and is not necessarily the cost of education allowable for determining the amount of Basic Grant awards.

The program regulations provide that any refund policy used by an institution is allowable in determining the amount of funds which is to be refunded to the student. Once this amount is established, the regulations include the formula that is used to determine the percentage which is applied to the amount of the refund in order to calculate the amount to be restored to the Basic Grant account.

As stated in the regulations, the amount to be restored to the Basic Grant account shall be in the same ratio to the amount of the refund as the amount of the Basic Grant funds already disbursed to the student, at the time he requests the refund, bears to the institution's calculation of the student's cost of education for the period of enrollment for which such refund is requested.

This can be summarized by a simple formula:

$$\text{Amount to be restored to Basic Grant account} = \frac{\text{Disbursed Basic Grant}}{\text{Cost of Education}} \times \text{amount of refund}$$

In order to clarify this calculation, the following examples demonstrate how this formula works for two different types of schools; one which charges the student by academic term and the second which charges the student for the entire year at the time of enrollment.

1. The student drops out after two weeks. The institutional refund policy is 45 percent of the amount paid to institution. The student's

cost for one semester is \$1,250. The student has already paid the school \$1,075 consisting of \$825 from the family contribution and a \$250 Basic Grant which was credited to the student's account.

Institutional Refund = 45% of \$1,075 or \$483.75

How much of this refund should be reimbursed to the institution's Basic Grant account?

Formula:

$$\frac{(\text{Disbursed Basic Grant})}{(\text{Cost of Education})} \frac{\$250}{\$1250} \times \$483.75 = \$96.75$$

Therefore, \$96.75 of the refund is to be restored to the institution's Basic Grant account. The remainder of the refund (\$483.75 - 96.75 = \$387.00) is returned to the student. The institution should be aware, however, that if the student is receiving aid through any other Federal student assistance programs, the remainder of the refund (after the deduction for Basic Grants is made) may be subject to the refund policies appropriate for these other programs.

2. The student drops out after two weeks. The institutional refund policy is 55 percent of the amount paid to the institution. The student's total cost for the year is \$2500. The student has paid \$1900 to the institution consisting of \$1800 in family contribution and a \$100 Basic Grant which was disbursed to the student and credited to the student's account.

Institutional Refund - 55% of \$1900 or \$1045

How much of this refund should be reimbursed to the institution's
Basic Grant account?

Formula:

$$\frac{(\text{Disbursed Basic Grant})}{(\text{Cost of Education})} \frac{\$100}{\$2500} \times \$1045 = \$41.80$$

Therefore, \$41.80 of the refund is to be restored to the institution's
Basic Grant account. The remainder of the refund (\$1045 - \$41.80 =
\$1003.20), of course, is subject to appropriate refund policies of other
Federal student aid programs.

IX. Discrepancies in Applicant-Reported Information

The effectiveness of the Basic Grant Program depends to a considerable
extent on the accuracy of the information utilized in making awards.

Students and parents must be confident that all information provided
by other students and parents is accurate or there will be substantial
incentive to provide inaccurate information. All applicants and the
parents of dependent applicants have certified that they have provided
correct information on their application forms and have further indicated
a willingness to permit review by the Office of Education of their income
tax forms in order to verify that the information which they have
provided is accurate.

The Basic Grant Program is currently in the process of developing audit procedures which will analyze the validity of information submitted in the application process. There will be two phases in the audit process: Phase One will be a sampling of a large number of applications and comparing data submitted on the application with comparable information on the family's Federal Income Tax Return for the corresponding year; Phase Two will be the same basic analysis performed on all those cases submitted by institutional financial aid officers to the Basic Grant office for resolution. Specific guidelines and the procedures to be followed will be made available to the institutions as soon as they are completed. However, there are, at this time, instances when institutional financial aid officers discover apparent discrepancies in the information by the student on the Basic Grant application form.

Therefore, as an interim measure the following steps are recommended:

1. Upon the determination of a discrepancy between the family financial data submitted for the Basic Grant Program and other data retrieval documents, the financial aid officer should review all documents to verify that there are actual discrepancies which are not due to variations in reporting periods, etc.
2. If actual discrepancies exist it is recommended that the financial aid officer provide the applicant and his family the opportunity to explain and/or rectify the discrepancy.

IF THE STUDENT AGREES THAT CHANGES ARE NECESSARY IN THE INFORMATION PROVIDED ON THE BASIC GRANT APPLICATION FORM:

1. Have the student make appropriate changes on the SER.
2. Have the student resubmit the SER to the contractor for reprocessing.
3. Upon receipt of a new SER proceed with the Basic Grant award determination and disbursement.

IF THE STUDENT CHOOSES NOT TO MAKE CHANGES IN THE INFORMATION PROVIDED ON THE BASIC GRANT APPLICATION FORM:

1. Process the Basic Grant award and disburse the appropriate grant amount according to the data available.
2. Notify the student and the parents that the Basic Grant has been determined and will be disbursed, but the discrepancy has been turned over to the U.S. Office of Education for review.
3. Submit to the Director, Division of Basic Grants, Room 5678, R.O.B. #3, 400 Maryland Ave., S.W., Washington, D.C. 20202, a copy of the SER and any other documentation relevant to the family financial data which is in variance with the information on the SER.

X. Alternate Disbursement System

Generally the payments of Basic Grant awards to eligible students are made through participating institutions acting as disbursing agents. If an

eligible institution has decided not to act as a disbursing agent for the Office of Education, eligible students enrolled in that institution will still be able to receive their awards. This will be accomplished through the Alternate Disbursement System, whereby eligible students will receive payment of their awards directly from the Office of Education. In order to receive direct payment, the student, with the assistance of the institution in which he is enrolled, must submit a special form. This form, Request for Payment of BEOG Award (OE Form 304), collects information on the student's enrollment status and cost of attendance. Once this form is received, the student's award is calculated using the same process utilized by the institutions and payment is made directly to the student. While this process is cumbersome to the student and makes packaging of student aid difficult for the institution, it may be advisable for some institutions to refer their students to the Alternate Disbursement System so payment of BEOG awards can be made. It should be noted, however, that while every effort is made to process direct payments as expeditiously as possible, students paid under the Alternate Disbursement System may not receive their awards as quickly as students paid through their school.

XI. Monthly Applicant Roster

As part of the continuing efforts to assist in the coordination of student financial aid at the institutional, State and Federal levels, rosters of Basic Grant applicants will be sent to State scholarship agencies and institutional

financial aid offices on a monthly basis. For the 1975-76 academic year, each roster will be cumulative and hence provide a complete listing of all students, as of the date of that roster, who had indicated that institution as the one they were planning to attend. The roster will include the applicant's name, address, social security number and eligibility index. The applicants will be listed under three categories: eligible, ineligible, and those applicants who did not provide sufficient information to determine their eligibility indices. When applicants submit any revised information that results in a new Student Eligibility Report, the fact that the applicant has a new record, since the previous roster was tabulated, will also be indicated. It should be noted, of course, that all applicants listed on the roster may not actually decide to enroll in the institution indicated on their application form and, conversely, not all applicants who actually enroll in an institution will have indicated that institution's name on their Basic Grant application. However, it is quite likely that most second and third year students will appear on the roster, since their choice of institution has, in most cases, already been made.

XII. Student Affidavit

Every student who receives funds through one or more of the five Federal student aid programs must file an affidavit stating that all funds received through these programs will be used solely for educational

purposes. (Complete information on filing the official Student Affidavit is contained on the form itself, a copy of which can be found in Chapter 9).

The affidavit is intended to be used either as it is or as a model for the institution's own affidavit form. Thus a different form may be used by an institution to affirm that the "educational purpose" requirement is met, as long as all programs covered by the affidavit are listed on the form, the form is properly notarized, and the document is on file and easily accessible at the institution. In addition, it is important to note that if an institutional form is used, no additional requirements may be added as a condition for receipt of funds under any of the five programs. Therefore, students cannot be required to sign an affidavit which covers any more than the legislative requirements. Basically, the phrase that would be incorporated into an institutional document would be: "I hereby affirm that any funds received under the Basic Educational Opportunity Grant, the Supplemental Educational Opportunity Grant, The College-Work Study, the National Direct Student Loan, or the Guaranteed/Federally Insured Loan Programs will be used solely for expenses related to attendance or continued attendance at (Name of Institution)".

Provisions for Reducing Awards

The authorizing legislation specifies that a student's maximum grant eligibility is \$1400 less the expected family contribution, not to exceed one-half of the cost of attendance at the school the student wishes to attend. This level of assistance assumes that the appropriation is sufficient in a given academic year to meet the total demand for Basic Grants.

If the appropriation is not sufficient to meet the total demand, the law specifies how each award is to be reduced.

The first level of reductions reduces each award in the following manner:

Awards of between \$1400-\$1000 are reduced by 25%

Awards of between \$1000-\$800 are reduced by 30%

Awards of between \$800-\$600 are reduced by 35%

Awards of less than \$600 are reduced by 50%

If the appropriation is not sufficient to pay all awards at this reduced level, all awards are further reduced on a pro rata basis. In addition, if any reduction language is applied, the limitations on the maximum award change.

When the appropriation is sufficient to meet 75 percent to 99 percent of the total demand, no award can exceed 60 percent of need (the difference

between the family contribution and cost of attendance). Should the appropriation fall below the 75 percent point, no award can exceed 50 percent of need.

CHAPTER 8

INSTITUTIONAL REPORTING AND FISCAL OPERATIONS

- I Overview of Institutional Process
- II Institutional Reporting and Relations
- III Institutional Funding Through NIH
- IV Suggested Accounting Procedures

CHAPTER 8

INSTITUTIONAL REPORTING AND FISCAL OPERATIONS

I. Overview of Institutional Process

The following table represents the major steps in the total system for allocating Basic Grant funds to participating institutions, monitoring their disbursements to students, and providing reporting information for the Program. The first two steps will generally occur only once for each institution, while the steps that follow will occur during each year of the Program.

<u>Steps</u>	<u>How Often</u>
1. Eligible for BEOG	One time only
2. Sign Terms of Agreement	One time only
3. Receive Initial Authorization	Annually
4. Submit October Progress Report	Annually
5. Revised Authorization Ceiling	Annually
6. Submit February Progress Report	Annually
7. Revised Authorization Ceiling	Annually
8. Submit June Progress Report	Annually
9. Submit Student Award Roster	Annually

II. Funding and Reporting Process

A. Eligibility

Eligibility for the Basic Grant Program is based on legislatively-prescribed criteria. The determination of the eligibility of individual institutions for Basic Grants is established through the Accreditation and Institutional Eligibility Staff of the Office of Education.

B. Terms of Agreement

The Terms of Agreement, between the institution and the Office of Education, establishes the institution's participation in the Basic Grant Program. Once it has been signed, that institution is able to disburse funds to its Basic Grant recipients.

C. Authorization Ceiling

Each institution that has a signed Agreement on file with the Office of Education will receive an initial authorization ceiling against which that institution can draw funds. The initial ceiling level will be an estimate of the funds required to make payments to students for the first academic term. The authorization ceiling will be updated by means of a Progress Report to be submitted three times during the fiscal year by the institution to the Office of Education. The Progress Report, by requesting information concerning gross expenditures to date and estimated expenditures for the remainder of the year, will make possible the required adjustments in the institution's ceiling. It is important to note that participating institutions will receive all of the funds necessary to make awards to the eligible students enrolled in the school.

D. Progress Report

The Progress Report is the mechanism through which the initial Basic Grant ceiling authorization may be adjusted during the year. It will allow for adjustments that would reflect the actual as well as the expected demand for funds at that particular institution. The Progress Report should be submitted three times during the year on the prescribed dates. In addition, AD HOC Progress Reports may be submitted at other than a regularly scheduled reporting date if it becomes necessary for an institution to obtain an adjusted ceiling amount to receive additional funds. With each Progress Report, the SER's received up to that date must be submitted. For further information, see the copy of the Progress Report in Chapter 9 and an example of a completed Progress Report in Chapter 10.

E. Student Validation Roster

In addition to the Progress Reports, the Office of Education will prepare a Student Validation Roster based on the SER's received from the institutions. This document will be generated at the end of each fiscal year and mailed to each institution that made Basic Grant awards during that fiscal year. Institutions are asked to verify each student recipient's status, the actual amount paid to the student, and return the roster to the Office of Education. This information, when compared with Progress Report data and actual Basic Grant institutional accounting data, will serve to reconcile each school's Basic Grant accounts at the end of the year. It

will also serve to monitor the status of individual student award recipients, including the amount of their "eligibility" that has been used.

F. Maintenance and Retention of Records

For purposes of Basic Grants, the institution will keep two types of records; one on student recipients and the other on fiscal activity.

Student records must be kept on all students enrolled in the school who submit SER's which reflect an eligibility index which would make a student eligible to receive an award. These student records must include a copy of each student's completed and certified SER, the student's cost of attendance and the portion of the academic year for which the student was enrolled. In addition, the records must include a copy of the notarized Student Affidavit covering OE-sponsored student aid programs.

The fiscal records must be maintained in such a manner as to be easily audited. Disbursements to students must be identifiable on an individual basis as well as in the aggregate. Fiscal records must also reflect the amount and dates of any overpayment of awards that have been restored to the Program account.

All records, books, files, and other materials relevant to the receipt and expenditure of Basic Grant funds must be made available to the Commissioner of Education for Program reviews, audits or other inspection for a

period of at least five years after a final report of fiscal activity unless the Commissioner issues Regulations to the contrary.

III. Institutional Funding Through NIH

A. Overview

The payment of funds to individual institutions will be accomplished by means of the Departmental Federal Assistance Financing System (DFAFS) of the National Institutes of Health (NIH). Procedures and requirements of the DFAFS will be provided to institutions by NIH.

The first step in receiving funds is the institution receiving from the Office of Education an Official Authorization Letter. This letter will provide an authorization ceiling for purposes of the Basic Educational Opportunity Grant Program. A copy of the letter will be sent to the Office of Financial Management, NIH, to serve as an authorization document against which the institution will be able to draw funds. NIH will utilize one of two methods for providing Basic Grant funds to an institution: the Letter of Credit or Cash Request System.

B. Letter of Credit

The Letter of Credit method allows the institution to draw funds, up to the ceiling amount, from the Federal Reserve System through a local commercial or Federal Reserve bank. This procedure is established through a special arrangement with NIH.

C. Cash Request System

1. The Cash Request System, which is the procedure normally used, permits the institution to draw funds, up to the ceiling amount, on a monthly basis. Institutions using this procedure submit a Grantee's Monthly Cash Request form to NIH for funds to cover estimated cash expenditures. NIH, upon receipt of this form, will schedule a payment (U.S. Treasury check) to reach the institution during the first week of the month for which cash is requested. Each calendar quarter, the institution submits to NIH a Grantee Quarterly Report of Expenditures and a Cash Reconciliation Statement indicating total funds expended during the quarter and the cash balance on hand.

2. With regard to the effective operation of the DFAFS, several points should be made.

- a. Funds may be requested only after the institution has received an Official Authorization Letter, and then only to meet current disbursements.
- b. Institutions must request funds needed for payment to students; NIH will not make advances of funds automatically.
- c. Monthly requests for cash will be for the sum total of cash needed for that month for all grants and programs that are administered under the DFAFS, and not just for the Basic Grant Program.

d. The amount of each cash request must not exceed the net amount of the combined grant authorizations remaining after deduction of all previous monthly checks received by the institution.

D. Any questions regarding payment of funds through DFAFS should be directed to:

Federal Assistance Financing Branch
Office of Financial Management
National Institutes of Health
Bethesda, Maryland 20014

Telephone: Area code 301-496-7871

NOTE: Additional copies of the Monthly Cash Request form should be requested directly from NIH.

IV. Suggested Accounting Procedures

A detailed manual on accounting, recordkeeping and reporting is published annually by the National Association of College and University Business Officers (NACUBO) in conjunction with the Office of Education. This publication has been widely distributed, however, if an institution has not received a copy, it can be obtained directly from NACUBO. The title of the publication is "Accounting, Recordkeeping, and Reporting by Colleges and Universities for Federally Funded Student Financial Aid Programs" and it may be obtained by writing:

National Association of College & University Business Officers
One Dupont Circle, Suite 510
Washington, D.C. 20036

CHAPTER 9

BASIC GRANT FORMS

Application and Instructions

Student Eligibility Report and Instructions

Supplemental Form

Progress Report

Student Affidavit

IMPORTANT: You should not fill out this application unless you have begun your post-high school education **AFTER** April 1, 1973.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

OMB NO.: 51-R0961
FORM APPROVED
FOR OFFICE OF EDUCATION USE ONLY

**APPLICATION FOR DETERMINATION OF BASIC GRANT ELIGIBILITY
FOR THE 1975-76 ACADEMIC YEAR**
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

— READ INSTRUCTIONS FIRST —

A APPLICANT INFORMATION

1. Have you attended a college, university, or post-high school vocational/technical school at any time **BEFORE** April 1, 1973? ☐ YES ☐ NO
—If you answered "YES" to this question, you should not complete this form. See page 1, General Information.
—If you answered "NO", complete this form and mail it.

(1) (2-10)
2. APPLICANT'S SOCIAL SECURITY NUMBER

(16-31) (32-40) (41)
3. APPLICANT'S NAME Last Name First Name Middle Initial

4. IS APPLICANT A U.S. CITIZEN? **ANSWER "YES" IF:**
☐ You are a citizen of the United States.
☐ You are in the U.S. for other than a temporary purpose and intend to become a permanent resident.
☐ You are a permanent resident of the Trust Territories of the Pacific Islands.
 OR Answer "NO" if none of the above apply to you. See Instructions. ☐ YES ☐ NO

(42-47)
5. APPLICANT'S BIRTH DATE Month Day Year

(48-77)
6. APPLICANT'S PERMANENT MAILING ADDRESS Number and Street
 City State Zip Code
 See Instructions for listing of State Codes

7. Applicant's school or college for the 1975-76 Academic Year if such a decision has been made. See Instructions. Name of School or College City State Zip Code
 For Office of Education use only

8. APPLICANT'S MARITAL STATUS
☐ Single
☐ Married
☐ Divorced, Separated, Widowed

9. IF APPLICANT IS MARRIED or has DEPENDENTS, answer BOTH (a) and (b) below:
 (a) Total size of Applicant's Household (include applicant, spouse, dependent children, other dependents)
 (b) Number of Members of Applicant's Household (including applicant) to be in post high school educational institutions in 1975-76

B PARENT INFORMATION

10. NAME OF PARENT Last Name First Name MI
 11. SOCIAL SECURITY NUMBER

12. PARENTS' STATUS
☐ Married
☐ Divorced, Separated, Widowed, Single
☐ Both Deceased

13. TOTAL SIZE OF PARENTS' HOUSEHOLD — Include applicant, applicant's parents, children dependent on applicant's parents, other persons dependent on applicant's parents.

14. NUMBER OF MEMBERS OF PARENTS' HOUSEHOLD (including applicant) to be in post high school educational institutions in 1975-76

C APPLICANT'S STATUS

YOU MUST ANSWER EACH OF THE FOLLOWING QUESTIONS FOR EACH YEAR

15. DID OR WILL APPLICANT LIVE WITH PARENTS DURING
 (58) 1974 (59) 1975 (60) 1976
☐ YES ☐ YES ☐ YES
☐ NO ☐ NO ☐ NO

16. APPLICANT IS, WAS, OR WILL BE LISTED AS AN EXEMPTION ON PARENTS' FEDERAL INCOME TAX RETURN DURING
 (61) 1974 (62) 1975 (63) 1976
☐ YES ☐ YES ☐ YES
☐ NO ☐ NO ☐ NO

17. DID OR WILL APPLICANT RECEIVE \$600 OR MORE IN FINANCIAL ASSISTANCE FROM PARENTS DURING
 (64) 1974 (65) 1975 (66) 1976
☐ YES ☐ YES ☐ YES
☐ NO ☐ NO ☐ NO

IF: YOU ANSWERED YES FOR ANY QUESTION FOR ANY YEAR IN SECTION C, COMPLETE ONLY SECTION D ON THE NEXT PAGE AND SIGN.

OR: IF YOU ANSWERED NO FOR ALL YEARS AND ALL QUESTIONS IN SECTION C, COMPLETE ONLY SECTION E ON THE NEXT PAGE AND SIGN.

D - PARENTS' FINANCIAL STATEMENT**(11) 3(1) PARENT'S INCOME AND EXPENSES (12-13)****18. TOTAL NUMBER OF EXEMPTIONS CLAIMED ON 1974 FEDERAL INCOME TAX RETURN****19. ADJUSTED GROSS INCOME** (from line 15 of IRS form 1040, or line 12 of IRS form 1040A) **1974** \$ **20. ENTER THAT PORTION OF ITEM 19 EARNED THROUGH EMPLOYMENT BY:**a) Father (19-23) \$ b) Mother (24-28) \$ **21. OTHER INCOME** (Social Security, child support, tax-free bonds, capital gains, welfare, etc.) (See Instructions) (29-33) \$ **22. TOTAL FEDERAL INCOME TAX PAID** (from line 18 of IRS form 1040, or line 19 of 1040A) (34-38) \$

UNUSUAL EXPENSES (See Instructions)

23. MEDICAL and/or DENTAL (39-43) \$ **24. CASUALTY or THEFT LOSSES** (44-48) \$ **PARENT'S ASSETS AND DEBTS**

PRESENT MARKET VALUE

UNPAID MORTGAGE OR DEBTS

25. HOME (49-50) \$ **26. INVESTMENTS AND REAL ESTATE** (See Instructions) (51-72) \$ **27. BUSINESS** (51) (11-22) \$ **28. FARM** (23-34) \$ **29. CASH, SAVINGS ACCOUNTS, CHECKING ACCOUNTS** (35-39) \$ **APPLICANT'S SPECIAL EDUCATIONAL BENEFITS**

(to be received between July 1, 1975 and June 30, 1976)

30. (a) Veteran's benefits PER MONTH (G.I. Bill) (40-42) \$ (b) NUMBER OF MONTHS (43-44) **APPLICANT'S RESOURCES****31. SAVINGS, OTHER RESOURCES (See Instructions)** (45-49) \$

We certify that we have read this application and that it is accurate and complete to the best of our knowledge. We agree to provide, if requested, any documentation, including a copy of our 1974 Federal Income Tax Return, necessary to verify information reported on this form. We understand that the results of the eligibility calculation may be released upon request to appropriate State Student Financial Agencies and to the institution, if any, listed in item 7 above.

Applicant (50)

Father or Male Guardian (51) Mother or Female Guardian (52)

Date Completed (54-59)

E - APPLICANT'S FINANCIAL STATEMENT**(11) 3(1) INCOME AND EXPENSES: APPLICANT/SPOUSE (12-13)****32. TOTAL NUMBER OF EXEMPTIONS CLAIMED ON 1974 FEDERAL INCOME TAX RETURN****33. ADJUSTED GROSS INCOME** (from line 15 of IRS form 1040, or line 12 of IRS form 1040A) **1974** \$ **34. ENTER THAT PORTION OF ITEM 33 EARNED THROUGH EMPLOYMENT BY:**a) Applicant (19-23) \$ b) Spouse (24-28) \$ **35. OTHER INCOME** (Social Security, child support, tax-free bonds, capital gains, welfare, etc.) (See Instructions) (29-33) \$ **36. TOTAL FEDERAL INCOME TAX PAID** (from line 18 of IRS form 1040, or line 19 of 1040A) (34-38) \$

UNUSUAL EXPENSES (See Instructions)

37. MEDICAL and/or DENTAL (39-43) \$ **38. CASUALTY or THEFT LOSSES** (44-48) \$ **ASSETS AND DEBTS: APPLICANT/SPOUSE**

PRESENT MARKET VALUE

UNPAID MORTGAGE OR DEBTS

39. HOME (49-50) \$ **40. INVESTMENTS AND REAL ESTATE** (See Instructions) (51-72) \$ **41. BUSINESS** (51) (11-22) \$ **42. FARM** (23-34) \$ **43. CASH, SAVINGS ACCOUNTS, CHECKING ACCOUNTS** (35-39) \$ **APPLICANT'S SPECIAL EDUCATIONAL BENEFITS**

(to be received between July 1, 1975 and June 30, 1976)

44. (a) Veteran's benefits PER MONTH (G.I. Bill) (40-42) \$ (b) NUMBER OF MONTHS (43-44)

I (We) certify that I (we) have read this application and that it is accurate and complete to the best of my (our) knowledge. I (We) agree to provide, if requested, any documentation, including a copy of my (our) 1974 Federal Income Tax Return, necessary to verify information reported on this form. I (We) understand that the results of the eligibility calculation may be released upon request to appropriate State Student Financial Agencies and to the institution, if any, listed in item 7 above.

SIGN Applicant (50)

Applicant's Spouse (51) Date Completed (54-59)

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT OR MISREPRESENTATION ON THIS FORM SHALL BE SUBJECT TO A FINE, OR TO IMPRISONMENT, OR TO BOTH, UNDER PROVISIONS OF THE UNITED STATES CRIMINAL CODE.

Mail Completed Form To:

BASIC GRANTS
P.O. BOX A
IOWA CITY, IOWA 52240



APPLICATION FOR DETERMINATION OF BASIC GRANT ELIGIBILITY

This application for a Basic Grant is for the 1975-76 academic year only. This covers any period of enrollment in a post-high school educational institution **between July 1, 1975 and June 30, 1976**. The deadline for submitting this application is **MARCH 15, 1976**.

GENERAL INFORMATION

The Basic Educational Opportunity Grant Program is a Federal aid program designed to provide financial assistance to those who need it to attend post-high school educational institutions. Basic Grants are intended to be the "floor" of a financial aid package and may be combined with other forms of aid in order to meet the full costs of education. The amount of your Basic Grant is determined on the basis of your own and your family's financial resources.

You will be eligible for a grant if you meet several important criteria:

1. You have established your financial need by means of the Basic Grant application.
2. You began or will begin your post-high school education **after April 1, 1973**. There are exceptions to this requirement, however. These exceptions are: (a) if you were enrolled prior to April 1, 1973, in a course of study (whether or not for credit) which was remedial in nature; (b) if you were enrolled, prior to April 1, 1973, in a course of study (whether or not for credit) which was designed to prepare you for regular enrollment in an institution of postsecondary education; (c) if you were enrolled prior to April 1, 1973, in an institution of postsecondary education while still enrolled

in high school; or, (d) if you were enrolled, prior to April 1, 1973, in an institution of post-secondary education which was not eligible for participation in the Basic Educational Opportunity Grant Program prior to April 1, 1973. If you need assistance in determining your status with regard to these exceptions, your high school counselor or the financial aid officer at your school may be able to help you.

3. You will be enrolled in an eligible program at one of the over 5,000 colleges, universities, vocational, technical, or career training schools which have been determined eligible for the Basic Grant Program. If you have any questions regarding the eligibility status of the school in which you are interested please contact the financial aid officer at the school you are planning to attend.

4. You are a U.S. Citizen or are in the United States for other than a temporary purpose and intend to become a permanent resident or are a permanent resident of the Trust Territories of Pacific Islands.

The Basic Educational Opportunity Grant Award is a grant and, unlike a loan, does not have to be repaid. It is estimated that during the 1975-76 academic year the awards will range between \$50 and \$800.

HOW TO APPLY

First, you should complete the application for determination of eligibility and send it in the envelope you received with these materials. **Do not send money; your application will be processed free of charge.**

Within four weeks you should receive a Student Eligibility Report (SER) which will indicate the results of your application.

The SER should be submitted to the Student Financial Aid Office at the institution in which you plan to enroll, where the amount of your Basic Grant will be calculated.

ADDITIONAL INFORMATION

If you need assistance in completing this form, contact the guidance counselor at your local high school or your student financial aid officer. If you do not receive a response to your application within six weeks, you can write: BEOG, Box C, Iowa City, Iowa 52240. Be sure to include your name, address, and social security number.

OTHER FORMS OF FINANCIAL AID

We suggest that you file this application as soon as possible in order to determine your eligibility for a Basic Grant early enough to allow your financial aid officer to develop a total financial aid package for you.

We also strongly encourage you to contact the financial aid officer at the post-high school educational institution you are interested in attending regarding availability and application requirements for other sources of aid.

Financial assistance may also be available to you through your State and/or through your school. In order to assist both those States having scholarship or other financial aid programs and the school you indicate that you are interested in attending, the results of the computation of your Basic Grant "eligibility index" may be released to your State scholarship agency and your school. Personal financial information reported on your application will not be released to either the State agency or your school. The data released to these State agencies and schools will only be used to help you in obtaining the financial aid necessary to finance your post-high school education and training.

CHANGE IN FINANCIAL CIRCUMSTANCES

For those applicants whose financial circumstances have changed significantly since 1974, it may be possible to file a Supplemental Form together with a Basic Grant Application. This Supplemental Form provides the specific criteria which must be met in order for a student to file a Basic Grant application which uses estimated 1975 income data rather than actual 1974 information. Supplemental Forms are available from high school guidance counselors and post-high school financial aid officers, or by writing to BEOG, P.O. Box 84, Washington, D.C. 20044. If you have experienced a dramatic change in financial circumstances from 1974 to 1975, please review the conditions on the Supplemental Form carefully to determine if you are eligible to file in this manner.

Instructions

It is important that you read the instructions while completing the form. If the form is completed correctly, your application can be processed without unnecessary delay.

Every attempt has been made to include only those questions that are absolutely necessary. All information will, of course, be treated confidentially.

TO COMPLETE THE APPLICATION FORM:

—PLEASE REMOVE THE APPLICATION FORM CAREFULLY BEFORE COMPLETING IT.

—PLEASE PRINT ALL INFORMATION IN BALL-POINT PEN OR IN INK.

—AS YOU ENTER INFORMATION ON THIS APPLICATION, PLACE ONLY ONE LETTER OR NUMBER IN EACH SMALL BOX:

EXAMPLE:

1	2	4	8	S	M	A	I	N	S	T
---	---	---	---	---	---	---	---	---	---	---

—ENTER AMOUNTS IN DOLLARS; OMIT CENTS. DO NOT LEAVE DOLLAR ITEMS BLANK; ENTER A ZERO (0) IF THE ITEM DOES NOT APPLY TO YOU. DO NOT USE WORDS SUCH AS "UNKNOWN," "NONE," OR "SAME."

—SEND THE COMPLETED FORM TO: BEOG, Box A, Iowa City, Iowa 52240

SECTION A—APPLICANT INFORMATION

1. To be eligible for the Basic Grant Program, you must have begun your post-high school education after April 1, 1973. If you attended a college, university or post-high school vocational/technical school at any time before April 1, 1973, you should not complete this form. However, there are some exceptions to this requirement—see page 1, General Information. If you answered "No" to this question, continue on to item 2.
- 2-3. Enter the appropriate information. Your social security number must be provided in order to process the application.
4. To be eligible for the Basic Grant Program, you must be a U.S. citizen or be in the United States for other than a temporary purpose and intend to become a permanent resident or be a permanent resident of the Trust Territories of the Pacific Islands. If you do not fit any of these categories, you should not complete this form. If you answered "Yes" to this question, continue on to item 5.
- 5-6. Enter the appropriate information. Use abbreviations when necessary. The State Code for addresses is printed at the left.
7. If you have made a preliminary decision about the school or college you will most likely be attending during the 1975-76 academic year, enter its name and address. If you have not yet decided on a particular school, you may leave this item blank. Use abbreviations as necessary.
8. Enter the appropriate information.
9. If you are single, without dependents, omit question 9. If you are married or have dependents, read both a and b below:
 - a. Enter the total size of your household. Include yourself, spouse and children who are dependent on you for more than half their support. Also include other persons who are related to you or living with you and for whom you provide more than half their support. If you are divorced or separated, do not include your spouse.
 - b. Enter the number of persons listed in item 9a above who will be attending post-high school educational institutions during the 1975-76 academic year. Include only those who will be attending on at least a half-time basis. Do not include family members who will be enrolled in elementary, junior high or high school during the 1975-76 academic year.

State Code:	
Ala.	01
Alaska	02
Ariz.	04
Ark.	05
Calif.	06
Colo.	08
Conn.	09
Del.	10
D.C.	11
Fla.	12
Ga.	13
Hawaii	15
Idaho	16
Ill.	17
Ind.	18
Iowa	19
Kans.	20
Ky.	21
La.	22
Maine	23
Md.	24
Mass.	25
Mich.	26
Minn.	27
Miss.	28
Mo.	29
Mont.	30
Nebr.	31
Nev.	32
N.H.	33
N.J.	34
N. Mex.	35
N.Y.	36
N.C.	37
N. Dak.	38
Ohio	39
Okl.	40
Oreg.	41
Pa.	42
Puerto Rico	43
R.I.	44
S.C.	45
S. Dak.	46
Tenn.	47
Tex.	48
Utah	49
Vt.	50
Va.	51
Wash.	53
W. Va.	54
Wisc.	55
Wyo.	56

If your place of residence is not included above, enter 99 and write the name of the country or territory above the item on the form

SECTION B—PARENT INFORMATION

NOTE: Whenever the term "parent" is used, this means your mother or father or any person who provides, or did provide, more than half your support. If your parents are separated or divorced, only information which applies to the parent who provides the largest amount of your support should be submitted.

10-12. Enter the appropriate information.

13. Enter the total size of your parents' household. Include yourself, parents, and children who are dependent on your parents for more than half their support. Also include other persons who are related to your parents or living with them and for whom they provide more than half their support.
14. Enter the number of persons listed in item 13 above who will be attending post-high school educational institutions during the 1975-76 academic year. Include only those who will be attending on at least a half-time basis. Do not include family members who will be enrolled in elementary, junior high or high school during the 1975-76 academic year.

SECTION C—APPLICANT STATUS

15. If you lived with your parent(s), or plan to do so, during 1974, 1975, or 1976, check YES for the appropriate years. You would check YES if you lived at home for any period of more than two consecutive weeks during that year.
16. If you were or will be listed as an exemption on your parents' Federal Income Tax Return for 1974, 1975 or 1976, check YES for the appropriate years.
17. If you received or expect to receive more than \$600 in financial assistance from your parent(s) in 1974, 1975, or 1976, check YES for the appropriate years. Included under financial assistance are such items as room and board for periods you lived at home, clothes, medical and dental care, cash gifts, and cost of education. Estimate the value of such items in determining whether you received more than \$600 in financial assistance from your parents.

IMPORTANT

If you checked YES for any year for any question (15, 16 or 17) in Section C, please complete only Section D, and sign. Instructions for Section D begin on this page.

If you checked NO for all years and all questions (15, 16 and 17) in Section C, please complete only Section E, and sign. Instructions for Section E begin on page 5.

SECTION D

Please complete items 18 thru 31 together with your parents, since they must supply the needed information on income, expenses, and assets. If your parents are separated or divorced, only information which applies to the parent who provides the largest amount of your support should be submitted.

NOTE: If your parents are residents of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territories and they filed an Income Tax Return with that Government in 1974, they should enter the information that corresponds to that requested in the items below.

Please enter zeroes for those items that do not apply to you or your parents. All figures should be entered in dollars; omit cents.

Enter \$320.18 this way:

		3	2	0	.00
--	--	---	---	---	-----

Enter \$1,851.14 this way:

	1	8	5	1	.00
--	---	---	---	---	-----

Enter \$10,972.77 this way:

1	0	9	7	2	.00
---	---	---	---	---	-----

INCOME

18. Enter the number reported on line 7 of Federal Income Tax Return form 1040, or line 7 of form 1040A. If your parents are married and filed separately, enter the sum of their exemptions.
19. Enter the amount listed on line 15 of 1974 Federal Income Tax Return form 1040, or line 12 of form 1040A. If parents are married and filed separately, enter the sum of their Adjusted Gross Incomes. If your parents have not filed a Return for 1974 but will do so, enter the amount to be listed as Adjusted Gross Income. If your parents did not have to file a Return for 1974, enter a zero.
20. Enter that portion of item 19 that was earned through employment by: (a) father and (b) mother. Include only wages, salaries, and other income from employment that would be reported on a W-2 form. Do not include such income as alimony, dividends, or interest.
21. Enter the sum of the following types of other income your parent(s) received during 1974 (do not include any income already reported in item 19 above):
- All Social Security benefits received by or for those members of the household included in item 13 above. Be sure to include benefits received by or for the applicant.
 - All veterans benefits except those received for the applicant or educational benefits received by other members of the household; report applicant's veterans benefits for education (G.I. Bill or War Orphans' and Widows Education Assistance) in item 30.
 - Welfare benefits—include amounts received through Aid to Families with Dependent Children and other similar programs.
 - Child support received for those children included in item 13 above.
 - Other—include any other income received in 1974 that was not subject to Federal Income Tax. Examples of such income are: interest on tax-free municipal bonds, untaxed portions of pensions, untaxed portions of capital gains, military subsistence and quarters allowances and untaxed earned income.

Do not include any amounts received from student aid programs such as educational loans, work-study programs, or scholarships.

22. Enter the amount of tax reported on line 18 of Federal Income Tax form 1040 or line 19 of form 1040A of Return(s) filed by your parent(s) whose income was reported in item 19 above. If parents have not filed a Return for 1974, but will do so, enter an estimate of the tax paid. Do not copy tax withheld on W-2 form. If they did not have to file a Return for 1974, enter a zero.
23. If your parents itemized their deductions on their 1974 Federal Income Tax Return, enter the sum of lines 2 and 6 from Schedule A, form 1040. If your

parents took a standard deduction or did not have to file a Return for 1974, enter the amount of their household's medical expenses from the following list (do not include the amount of medical and dental expenses covered by insurance):

- a. Payments for medicines, prescription drugs, and vaccines.
- b. Payments to hospitals, doctors, dentists, and nurses.
- c. Payments for false teeth, eyeglasses, medical and surgical aids.
- d. Payments for ambulance service and other travel costs necessary to get medical care.

24. If your parents itemized their deductions on their 1974 Federal Income Tax Return, enter the amount reported on line 29 of Schedule A (form 1040). If your parents took a standard deduction or did not have to file a Return for 1974, determine the amount of each loss, not covered by insurance, due to theft or property lost or damaged by fire, storm, car accident, shipwrecks, etc. Subtract \$100 from the amount of each loss. Total the net amount of each of these losses and enter this sum.

NOTE: For a complete description of the expenses for items 23 and 24, see Instructions for form 1040 for Federal Income Tax Return.

ASSETS

NOTE: In completing items 25-28, do not report any asset more than once.

25.
 - a. Enter the estimated present market value of your parents' home.
 - b. Enter the amount of present unpaid mortgage or related debts on that home.
26.
 - a. Enter the sum of the estimated present market value of other real estate your parents own (report farm and business only in items 27 and 28 below) and the total market value of your parents' investments, including stocks, bonds, and other securities.
 - b. Enter the sum of the amount of present unpaid mortgage or related debts on that real estate and the amount of debts against your parents' investments.
- 27-28.
 - a. Enter the market value of your parents' business or farm (including value of buildings, machinery, etc.). Do not include home if it was listed in item 25.
 - b. Enter the amount of unpaid mortgage or related debts on the business or farm. If parents own part of a business (farm), enter only the value of their share of the business (farm), and only their share of unpaid mortgage.

29. Enter the appropriate amount.

APPLICANT

30.
 - a. Enter the amount of the benefits per month you expect to receive between July 1, 1975 and June 30, 1976, as part of the Veterans Educational Assistance—G.I. Bill Program. Also include the amount per month you expect to receive under the War Orphans' and Widows' Education Assistance Program. Include only those amounts that you receive because you are or will be a student.
 - b. Enter the number of months you expect to receive

veterans educational benefits between July 1, 1975 and June 30, 1976.

31. Enter the sum of your present savings and the present net value of your other assets, including investments, real estate, inheritances, and trust funds. Do not include your automobile, stamp or coin collection, or other personal property or any amounts received through educational loans.

Please check again to make sure every item has been completed, and that zeroes have been entered for those items that do not apply to you or your parents.

You and your parent(s) should read the final statement carefully and sign in the appropriate places. Applications which are not signed will be returned.

SECTION E

Please complete items 32 through 44 and sign the statement at the bottom. Items apply to both you and your spouse unless you are separated or divorced. If you and your spouse are separated or divorced, only information which applies to you should be submitted.

NOTE: If you are a resident of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Trust Territories and filed an Income Tax Return with that government in 1974, you should enter the information that corresponds to that requested in the items below.

Please enter zeroes for those items that do not apply to you (or your spouse). All figures should be entered in dollars; omit cents.

Enter \$320.18 this way:

		3	2	0	.00
--	--	---	---	---	-----

Enter \$1,851.14 this way:

	1	8	5	1	.00
--	---	---	---	---	-----

Enter \$10,972.77 this way:

1	0	9	7	2	.00
---	---	---	---	---	-----

INCOME

32. Enter the number reported on line 7 of Federal Income Tax Return form 1040 or line 7 of form 1040A. If you and your spouse are married and filed separately, enter the sum of your exemptions.
33. Enter the amount reported on line 15 of 1974 Federal Income Tax Return form 1040, or line 12 of form 1040A. If you and your spouse are married and filed separately, enter the sum of your Adjusted Gross Incomes. If you have yet to file a Return for 1974 but plan to do so, enter the amount to be listed as Adjusted Gross Income. If neither you nor your spouse had to file a Return for 1974, enter a zero. Do not include any income received as the result of employment provided by student aid programs.
34. Enter that portion of item 33 that was earned through employment by: (a) applicant and (b) spouse. Include only wages, salaries, and other income from employment that would be reported on a W-2 form, except any income received as the result of employment provided by student aid programs. Do not include such income as alimony, dividends, or interest.
35. Enter the sum of the following types of income you or your spouse received during 1974 (do not include any income you reported in item 33):
 - a. All Social Security benefits received by you and

other members of your household.

- b. All veterans benefits except those educational benefits received by you or other members of your household; report your veterans benefits for education (G.I. Bill and War Orphans' and Widows' Education Assistance) in item 44.
- c. Welfare benefits—include amounts received through Aid to Families with Dependent Children and other similar programs.
- d. Child support received for those children included in item 7a above.
- e. Other—include any other income received in 1974 that was not subject to Federal Income Tax. Examples of such income are: military subsistence and quarters allowances, untaxed portions of pensions, untaxed portions of capital gains, income from tax-free municipal bonds, and untaxed earned income.

Do not include any amounts received from student aid programs such as educational loans, work-study programs, or scholarships.

- 36. Enter the amount of tax reported on line 18 of Federal Income Tax Return form 1040 or line 19 of form 1040A. If you and your spouse filed separately, enter the sum of your Federal Income Taxes paid. If you have not filed a Return for 1974 but will do so, enter an estimate of the tax to be paid. Do not copy tax withheld on W-2 form. If you and your spouse did not have to file a Return for 1974, enter a zero.
- 37. If you and your spouse itemized your deductions on your 1974 Federal Income Tax Return, enter the sum of lines 2 and 6 from Schedule A (form 1040). If you and/or your spouse took a standard deduction or did not have to file a Return for 1974, enter the amount of your household's medical expenses from the following list (do not include the amount of medical and dental expenses covered by insurance):
 - a. Payments for medicines, prescription drugs, and vaccines.
 - b. Payments to hospitals, doctors, dentists, and nurses.
 - c. Payments for false teeth, eyeglasses, medical and surgical aids.
 - d. Payments for ambulance service and other travel costs necessary to get medical care.
- 38. If you and your spouse itemized your deductions on your 1974 Return, enter the amount reported on line 29, Schedule A (form 1040). If you and/or your spouse took a standard deduction or did not have to file a Return for 1974, determine the amount of each loss, not covered by insurance, due to theft or property lost or damaged by fire, storm, car accident, shipwrecks, etc. Subtract \$100 from the amount of each loss. Total the net amount of each of these losses and enter the sum.

NOTE: For a complete description of the expenses for items 37 and 38, see instructions for Federal Income Tax Return form 1040.

ASSETS

NOTE: In completing items 39–42, do not report any asset more than once.

- 39.
 - a. Enter the estimated present market value of your home.
 - b. Enter the amount of present unpaid mortgage or related debts on that home.
- 40.
 - a. Enter the sum of the estimated present market value of other real estate you may own (report farm and business only in items 41 and 42 below) and the total market value of your investments, including stocks, bonds, and other securities.
 - b. Enter the sum of the amount of present unpaid mortgage or related debts on that real estate and the amount of debts against your investments.
- 41–42. a. Enter the market value of your business or farm (including value of buildings, machinery, etc.). Do not include home if it was listed in item 39.
 - b. Enter the amount of unpaid mortgage or related debts on your business or farm. If you own part of a business (farm), enter only the value of your share of business (farm), and only your share of unpaid mortgage.
- 43. Enter the appropriate amount. Do not include any amounts received through educational loans.

APPLICANT

- 44. a. Enter the amount of the benefits per month you expect to receive between July 1, 1975 and June 30, 1976 as part of the Veterans Educational Assistance—G.I. Bill Program. If you do not know this amount contact your local Veterans Administration office. Also include the amount per month you expect to receive under the War Orphans' and Widows' Education Assistance Program. Include only those amounts that you receive because you are or will be a student. Do not include your spouse's veterans benefits for education.
- b. Enter the number of months you expect to receive veterans educational benefits between July 1, 1975 and June 30, 1976.

Please check again to make sure every item has been completed, and that zeroes have been entered for those items that do not apply to you or your spouse.

Please read the final statement carefully. You should sign in the appropriate place, along with your spouse. Applications which are not signed will be returned.

If you are interested in specific information on the method used in determining your Basic Grant Eligibility Index, please write to: BEOG, P.O. Box 84, Washington, D.C. 20044. Ask for a copy of "Basic Grant Eligibility."

**BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
1975-76 STUDENT ELIGIBILITY REPORT**

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
U.S. Office of Education

OMB NO. 31-80975
FORM APPROVED

CONFIDENTIAL

Applicant's Name A		Date of Birth B		Applicant's Sex C		Total Size of Applicant's Household D		Applicant's Marital Status E		Applicant's Living With Parents F		Applicant's Living With Parents G		Applicant's Living With Parents H		Applicant's Living With Parents I	
Applicant's Social Security No. J		Applicant's Signature K		Applicant's Signature L		Applicant's Signature M		Applicant's Signature N		Applicant's Signature O		Applicant's Signature P		Applicant's Signature Q		Applicant's Signature R	
1974 INCOME DATA R		Adjusted Gross Income S		Portion Earned By T		Portion Earned By U		Portion Earned By V		Portion Earned By W		Portion Earned By X		Portion Earned By Y		Portion Earned By Z	
ASSET DATA S		Home Value OC		Home Mortgage OD		Investments and Other Assets OE		Business Assets OF		Business Assets OG		Business Assets OH		Business Assets OI		Business Assets OJ	
Applicant's Signature KA		Applicant's Signature KB		Applicant's Signature KC		Applicant's Signature KD		Applicant's Signature KE		Applicant's Signature KF		Applicant's Signature KG		Applicant's Signature KH		Applicant's Signature KI	

2 COMMENTS ABOUT YOUR BEOG APPLICATION

IMPORTANT - SEE REVERSE SIDE FOR INSTRUCTIONS, PART

3 PRELIMINARY NOTIFICATION OF AWARD

To the BEOG Applicant: Your Student Eligibility Report has been received and processed by this institution. The amount of your preliminary award is entered below. The final award will be determined at the time of your actual enrollment.

Note: The amount of the "Preliminary Scheduled BEOG Award" assumes that you would attend this institution for a full academic year and on a full time basis.

TOTAL STUDENT COST	\$
ELIGIBILITY AID	\$
PRELIMINARY SCHEDULED BEOG AWARD	\$

4 FINAL AWARD

To the BEOG Applicant: Submit this copy to the above institution at the time of enrollment. The final award will be entered by the institution.

THIS REPORT PREPARED FOR:

TO THE SCHOOL: Please complete this section in accordance with the instructions in the BEOG Handbook, including the 1975-76 Payment Schedule.

SCHOOL: We certify that the applicant is an eligible student as defined under the regulations for the BEOG Program.

TOTAL STUDENT COST	\$
ELIGIBILITY AID	\$
SCHEDULED BEOG AWARD	\$
UNPAID BEOG AWARD	\$

Signature	Date
-----------	------

Name of Institution
City
State
Signed By

DRAFT

STUDENT ELIGIBILITY REPORT (SER) INSTRUCTIONS

TO THE BEOC APPLICANT: THIS STUDENT ELIGIBILITY REPORT (SER) IS BEING SENT TO YOU AS THE RESULT OF YOUR RECENT SUBMISSION OF AN APPLICATION FOR DETERMINATION OF BASIC GRANT ELIGIBILITY FOR THE 1975-76 ACADEMIC YEAR. PLEASE READ THE INSTRUCTIONS BELOW BASED ON WHETHER PART A, B OR C WAS INDICATED IN SECTION 2 OF THE SER.

PART A

1. CHECK THE INFORMATION PRINTED IN SECTION 1.

-IF ALL THE INFORMATION IS CORRECT, GO ON TO STEP 2 BELOW.

-IF ANY INFORMATION IS NOT CORRECT, CROSS OUT THE WRONG DATA AND ENTER THE CORRECT INFORMATION ABOVE IT.

THEN SIGN THE CERTIFICATION STATEMENT BELOW. RETURN ONE CORRECTED COPY TO: BEOC, P.O. BOX C, IOWA CITY, IOWA 52240. A NEW REPORT WILL BE SENT TO YOU SHORTLY.

IMPORTANT - THE CERTIFICATION STATEMENT MUST BE SIGNED BEFORE ANY CORRECTIONS CAN BE PROCESSED.

2. YOU WILL BE ELIGIBLE TO RECEIVE A BASIC GRANT IF YOU ARE ENROLLED OR WILL BE ENROLLING IN AN ELIGIBLE PROGRAM OF STUDY AT AN ELIGIBLE INSTITUTION OF POSTSECONDARY EDUCATION. SUBMIT ALL THREE COPIES OF THE SER TO THE STUDENT FINANCIAL AID OFFICE AT THE INSTITUTION IN WHICH YOU PLAN TO ENROLL. THEY WILL COMPUTE THE AMOUNT OF YOUR PRELIMINARY AWARD ON YOUR SER, KEEP TWO COPIES FOR THEIR FILE, AND RETURN ONE COPY TO YOU. SAVE THE COPY THAT IS RETURNED TO YOU. AT THE TIME OF YOUR ENROLLMENT, SUBMIT YOUR COPY OF THE SER TO THE STUDENT FINANCIAL AID OFFICE, WHERE THE AMOUNT OF YOUR FINAL AWARD WILL BE ENTERED. THE FINANCIAL AID OFFICER WILL THEN SIGN THE SER AND RETURN YOUR COPY TO YOU.

-IF YOU ARE CONSIDERING MORE THAN ONE INSTITUTION, YOU SHOULD SUBMIT A SET OF THREE COPIES OF THE SER TO EACH SCHOOL FOR CALCULATION OF YOUR PRELIMINARY AWARD. ADDITIONAL SETS ARE AVAILABLE FROM: BEOC, P.O. BOX C, IOWA CITY, IOWA 52240. BE SURE TO INCLUDE YOUR NAME, PERMANENT MAILING ADDRESS AND SOCIAL SECURITY NUMBER. TO SAVE TIME YOU CAN ALSO SEND A XEROXED COPY OF THIS SER TO THE SCHOOL FOR CALCULATION OF YOUR AWARD, THOUGH AT THE TIME OF ACTUAL ENROLLMENT, AN OFFICIAL SER MUST BE PRESENTED.

NOTE:

IF THE INSTITUTION YOU HAVE SENT THIS SER TO HAS REFUSED TO CALCULATE YOUR AWARD, WRITE TO BEOC, P.O. BOX D, IOWA CITY, IOWA 52240, REQUESTING FURTHER INFORMATION REGARDING PROCEDURES FOR RECEIVING PAYMENT OF YOUR AWARD. BE SURE TO INCLUDE THE NAME AND ADDRESS OF THE INSTITUTION.

PLEASE NOTE THAT ANY CORRECTIONS REGARDING THE INFORMATION LISTED IN SECTION 1 MUST BE MADE ON THE SER ITSELF. DO NOT SUBMIT A SECOND APPLICATION.

PART B

1. CHECK THE INFORMATION PRINTED IN SECTION 1.

-IF ALL THE INFORMATION IS CORRECT, GO ON TO STEP 2 BELOW.

-IF ANY INFORMATION IS NOT CORRECT, CROSS OUT THE WRONG DATA AND ENTER THE CORRECT INFORMATION ABOVE IT.

THEN SIGN THE CERTIFICATION STATEMENT BELOW. RETURN ONE CORRECTED COPY TO: BEOC, P.O. BOX C, IOWA CITY, IOWA 52240. A NEW REPORT WILL BE SENT TO YOU SHORTLY.

IMPORTANT - THE CERTIFICATION STATEMENT MUST BE SIGNED BEFORE ANY CORRECTIONS CAN BE PROCESSED.

2. THOUGH YOU ARE NOT ELIGIBLE FOR A BASIC GRANT, OTHER TYPES OF FINANCIAL ASSISTANCE MAY BE AVAILABLE. SEE YOUR FINANCIAL AID OFFICER FOR MORE INFORMATION ON OTHER FEDERAL, STATE, AND PRIVATE SOURCES OF FINANCIAL ASSISTANCE FOR WHICH YOU MAY BE ELIGIBLE.

TO THE SCHOOL OR COLLEGE:

IF YOUR INSTITUTION IS NOT ELIGIBLE FOR A BASIC EDUCATION OPPORTUNITY GRANT PROGRAM, PLEASE RETURN THIS REPORT TO THE APPLICANT, NOTING THAT YOUR INSTITUTION IS INELIGIBLE. YOUR INSTITUTION MUST BE ELIGIBLE BEFORE PAYMENTS CAN BE MADE. IF YOU ARE NOT SURE IF YOUR INSTITUTION IS ELIGIBLE, CONTACT: DIRECTOR, ACCREDITATION AND INSTITUTIONAL ELIGIBILITY STAFF, BUREAU OF POSTSECONDARY EDUCATION, U.S. OFFICE OF EDUCATION, WASHINGTON, D.C. 20202. IF YOUR INSTITUTION HAS CERTAIN PROGRAMS THAT ARE NOT ELIGIBLE, MAKE SURE THE APPLICANT HAS CHOSEN AN ELIGIBLE PROGRAM BEFORE CALCULATING THE AWARD.

CERTIFICATION

I (WE) CERTIFY THAT THIS STUDENT ELIGIBILITY REPORT IS ACCURATE AND COMPLETE TO THE BEST OF MY (OUR) KNOWLEDGE. I (WE) AGREE TO PROVIDE, IF REQUESTED, DOCUMENTATION NECESSARY TO VERIFY INFORMATION REPORTED ON THIS FORM.

SIGNATURE OF APPLICANT

DATE

SIGNATURE OF PARENT, GUARDIAN OR SPOUSE

PART C

1. CHECK THE INFORMATION PRINTED IN SECTION 1.

-IF ALL THE INFORMATION IS CORRECT, GO ON TO STEP 2 BELOW.

-IF ANY INFORMATION IS NOT CORRECT, CROSS OUT THE WRONG DATA AND ENTER THE CORRECT INFORMATION ABOVE IT.

2. COMPLETE THE QUESTION(S) AS REQUESTED THEN SIGN THE CERTIFICATION STATEMENT BELOW, AND RETURN ONE CORRECTED COPY IMMEDIATELY TO: BEOC, P.O. BOX C, IOWA CITY, IOWA 52240. YOUR APPLICATION CANNOT BE PROCESSED UNTIL THIS ADDITIONAL INFORMATION IS RECEIVED.

IMPORTANT - THE CERTIFICATION STATEMENT MUST BE SIGNED BEFORE ANY CORRECTIONS CAN BE PROCESSED.

CHANGE IN FINANCIAL SITUATION

FOR

FOR APPLICANTS WHOSE FINANCIAL CIRCUMSTANCES HAVE CHANGED SIGNIFICANTLY SINCE 1974, IT MAY BE POSSIBLE TO FILE A SUPPLEMENTAL FORM TOGETHER WITH A BASIC GRANT APPLICATION. THIS SUPPLEMENTAL FORM PROVIDES TV- SPECIFIC CRITERIA WHICH MUST BE MET IN ORDER FOR A STUDENT TO FILE A BASIC GRANT APPLICATION WHICH USES ESTIMATED 1975 INCOME DATA RATHER THAN ACTUAL 1974 INFORMATION. SUPPLEMENTAL FORMS ARE AVAILABLE FROM HIGH SCHOOL GUIDANCE COUNSELORS AND POST-HIGH SCHOOL FINANCIAL AID OFFICERS, OR BY WRITING TO: BEOC, P.O. BOX B, WASHINGTON, D.C. 20044. IF YOU HAVE EXPERIENCED A DRAMATIC CHANGE TO 1975, PLEASE REVIEW THE CONDITIONS ON THE SUPPLEMENTAL FORM CAREFULLY TO DETERMINE IF YOU ARE ELIGIBLE TO FILE IN THIS MANNER.

NOTE: INFORMATION PROVIDED ON THIS FORM IS GIVEN IN CONFIDENCE FOR PURPOSES OF DETERMINING AN AWARD UNDER THE BEOC PROGRAM.

OF USE ONLY

IMPORTANT: An Application for Determination of Basic Grant Eligibility must be submitted with this form.

The purpose of this Supplemental Form is to allow students and their families, who have experienced a dramatic change in financial circumstances from 1974 to 1975, to submit a Basic Grant application which reflects their changed financial situation through the use of estimated 1975 income rather than actual 1974 income. In order to be eligible to submit a Supplemental Form, you **must** meet one of the conditions listed below.

[illegible]

NOTE: This Supplemental Form must be submitted with an Application for Determination of Basic Grant Eligibility for the 1975-76 academic year.

Step 1: Complete Section A, B, and C of the Basic Grant Application Form.

Step 2: Review Section C of the Application Form.

If you answered "yes" to any of the questions for any year and are to complete Section D (Parents' Financial Statement), you may file a Supplemental Form only if you meet one of the conditions included in Section III below. OR

If you answered "no" to all of the years in Section C and you are to complete Section E (Applicant's Financial Statement), you may file a Supplemental Form only if you meet one of the conditions included in Section IV on the reverse side of this Supplemental Form.

If you do not meet one of the conditions in Section III or Section IV, you are not eligible to submit a Supplemental Form. If you have not already done so, you may, however, still submit a Basic Grant Application which requests 1974 income information.

Step 3: Complete Section III or Section IV of the Supplemental Form.

(Complete Only One)

A: A parent, whose 1974 income was or would have been included on the Basic Grant Application Form, died in 1974 or 1975.

1. Name of Parent

Mo.	Day	Year

\$

--	--	--	--	--	--

 .00

2. Date of Death

3. 1974 Income of Parent _____

B: A parent, whose 1974 income was or would have been included on the Basic Grant Application Form, has experienced a loss employment of at least ten total weeks in 1975.

1. Name of Parent

\$.00

3. Total No. of weeks of unemployment during 1975

2. 1974 Income of Parent

C: Since the time of an original submission of the 1975-76 Basic Grant Application, the parents of the applicant have become separated or divorced. (If the parents were separated or divorced prior to the date of submitting an original Basic Grant Application, the Supplemental Form cannot be filed—see special instructions on the Basic Grant Application.)

1. CHECK ONE:

a. Parents Separated ☐

b. Parents Divorced

Mo.		Day		Year	

2. Date of separation or divorce

D: A parent, whose 1974 income was or would have been included on the Basic Grant Application Form, has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1974 due to illness or damage to income-producing property as a result of natural disaster. Or such parent has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to disability that occurred during 1974 or 1975.

1. Name of Parent

\$

--	--	--	--	--	--

.00

3. Total number of weeks during 1975

2. 1974 Income of that Parent

4. CHECK ONE:

a. ☐ Disability c. ☐ Flood
b. ☐ Fire d. ☐ Drought

e. ☐ Other (Please attach a separate explanation of type of occurrence and date of occurrence.)

(Turn Over)

SECTION IV CONDITIONS FOR FILING OF SUPPLEMENTAL FORM

(Complete Only One)

A: A spouse, whose 1974 income was or would have been included on the Basic Grant Application Form, died in 1974 or 1975.

1. Name of Spouse

2. Date of death

3. 1974 Income of Spouse \$.00

B: A spouse, whose 1974 income was or would have been included on the Basic Grant Application Form, has experienced a loss of employment of at least ten total weeks in 1975.

1. Name of Spouse

2. 1974 Income of Spouse \$.00

3. Total No. of weeks of unemployment during 1975

C: Since the time of an original submission of a 1975-76 Basic Grant Application, the applicant has become separated or divorced. (If the applicant was separated or divorced prior to the date of submitting an original Basic Grant Application, the Supplemental Form cannot be filed—see special instructions on the application.)

1. CHECK ONE:

a. Applicant separated ☐ OR

b. Applicant divorced ☐

2. Date of separation or divorce

D: An applicant or spouse, whose 1974 income was or would have been included on the Basic Grant Application Form, has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to loss or damage to income-producing property as a result of natural disaster, OR such applicant or spouse has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to disability that occurred during 1974 or 1975.

1. Name of Person

2. 1974 Income of that person \$.00

3. Total number of weeks during 1975

4. CHECK ONE:

a. ☐ Disability c. ☐ Flood e. ☐ Other (Please attach a separate explanation of type of occurrence and date of occurrence.)

b. ☐ Fire d. ☐ Drought

E: Applicant who was employed on a full-time basis (at least 35 hours per week) for a minimum of 30 weeks in 1974 and is no longer employed on a full-time basis.

1. 1974 Income of Applicant \$.00

2. Dates of Employment from to

3. Name of Employer

4. Address of Employer

Number and Street

City State Code Zip Code

Step 4: Complete Sections D or E of the Basic Grant Application Form. Review Section C of the Basic Grant Application Form to be sure that you completed the correct Section. Provide information according to the instructions included in the Application packet, but with the following exceptions:

Section D Item 18 Item 19-21	Section E Item 32 Item 33-35	— use 1975 information, rather than 1974
		the amount of income should be the sum of (1) actual income from January 1, 1975 to the date of this application, and (2) estimated income from the date of this application through December 31, 1975.
Item 22	Item 36	— leave this item blank; Federal Income Tax will be computed by the processing agent.
Item 23-24	Item 37-38	— the amount of unusual expenses should be the sum of (1) actual expenses from January 1, 1975 to the date of this application, and (2) estimated expenses from the date of this application through December 31, 1975.

Step 5: Carefully review all information provided on both the Supplemental Form and the Application for Determination of Basic Grant Eligibility for 1975-76 to be sure that all information is correct and that all instructions have been followed. Then complete the Certification Statement in Section V below.

SECTION V CERTIFICATION

I (WE) CERTIFY that this Supplemental Form is accurate and complete to the best of my (our) knowledge. I (WE) agree to provide, if requested, documentation necessary to verify information reported on this form.

Signature of Applicant

Signature of Parent, Guardian or Spouse

Date

Step 6: Mail both the Application Form and the Supplemental Form to:

P.O. BOX A • IOWA CITY, IOWA 52240

Be Sure that both the application Form and Supplemental Form are signed before mailing.

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT OR MISREPRESENTATION ON THIS FORM SHALL BE SUBJECT TO A FINE, OR TO IMPRISONMENT, OR TO BOTH, UNDER PROVISIONS OF THE UNITED STATES CRIMINAL CODE.

Academic Year: 1974-75



PLEASE read instructions before completing this form. Show dollars only. **DO NOT** show cents.

Form Approved
OMB: 051R-0993

(17-22) (15) 1. OE VENDOR NO.: (9-14) 2. NIH VENDOR NO.:	3. Report for: (Check appropriate box) ☐ Oct. 31 ☐ Feb. 28 ☐ June 30 ☐ AD HOC Request for Change in current OE Approved Authorization
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SECTION I - GENERAL INFORMATION

4. Institution NAME and ADDRESS: (14) ☐ Check here if NAME and/or ADDRESS has changed Official responsible for this PROGRESS REPORT 5. Name: 6. Title: 7. Phone: _____ SIGNATURE: _____	(17-22) 8. Date of Submission: <u> / / </u> mo. day year 9. Accreditation Status: Specify Agency: _____ (23) Status: ☐ Fully Accredited ☐ Candidate ☐ Correspondent OR ☐ "3 Letters" (24) 10. ☐ Check here if NO BEOG recipient expected at this institution. PLEASE return this report for USOE records.
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SECTION II - (Complete only for data for Report of PUA 75)

11. Type of Institution: (19) ☐ University ☐ Other 4-year ☐ 2-year ☐ At least 1-year, but less than 2-year ☐ At least 6 months, but less than 1-year 12. Control: (26) ☐ Public ☐ Private, non-profit ☐ Private, profit making 13. U.S. Congressional District: (27-28) 14. 1974-75 Full-time Undergraduate Enrollment: (29-30) 15. 1974-75 Part-time Undergraduate Enrollment: (31-32)	16. HOW and WHEN are BEOG Payments made to students? (33) A. HOW? ☐ Direct Payments ☐ Credit to Student Account OR ☐ Both (34) B. WHEN? Frequency of Payments: ☐ Two Payments ☐ Monthly ☐ By Term (for multiple terms only) ☐ Other, Specify: _____ (35) C. Term Type: ☐ Single Term ☐ Quarter ☐ Semester ☐ Trimester ☐ Other, Specify: _____	17. Length of Academic Year (from 7/1/74 to 6/30/75) or equivalent on which charges below are based: months (45-46) 18. Average Institutional Charges per Full-time Undergraduate Student: For 1973-74 (37) Tuition and Fees (In-School) A. \$ (38-39) Room (On-Campus) B. \$ (40-41) Board (On-Campus) C. \$ For 1974-75 (42-43) Tuition and Fees (In-School) D. \$ (44-45) Room (On-Campus) E. \$ (46-47) Board (On-Campus) F. \$ For 1975-76 (Estimated) (48-49) Tuition and Fees (In-School) G. \$ (50-51) Room (On-Campus) H. \$ (52-53) Board (On-Campus) I. \$
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SECTION III - STATUS OF AUTHORIZATION (Use system form)

	Amount (A)	No. of BEOG Recipients (B)
19. Gross Expenditures (actual payments to students to date)	19. \$ (54-55) (57-58)	(59-60)
20. Less Recoveries (to date)	20. \$ (56-57) (59-60)	(61-62)
21. Net Expenditures.	19-20 = 21. \$ (63-64)	
ESTIMATED DEMAND FOR ADDITIONAL FUNDS (for remainder of academic year):		
22. Amount for Present Recipients	22. \$ (65-66) (68-69)	
23. Amount for Additional Recipients Expected to Qualify	23. \$ (70-71) (73-74)	
24. Total Estimated Expenditures (for ENTIRE academic year: 7/1/74 - 6/30/75)	21+22+23 = 24. \$ (75-76) (77-78)	
25. Current OE Approved Authorization (from BEOG Authorization letter)	25. \$ (79-80) (81-82)	
26. Institution's Estimated Authorization Adjustment	24-25 = 26. \$ (83-84) (85-86)	
27. Number of Student Eligibility Reports Previously Submitted	27. (circle one) (87-88) (89-90)	
28. Number of Student Eligibility Reports Submitted with this Report	28. (89-90) (91-92)	
29. Total Number of Student Eligibility Reports Submitted	27+28 = 29. (93-94) (95-96)	
U.S.O.E. USE ONLY		30. (97-98) (99-100)

OE FORM 255-3, 6/74

PREVIOUS EDITION IS OBSOLETE

USOE COPY 1 - PROCESSING

INSTRUCTIONS FOR PREPARING PROGRESS REPORT

Progress Reports are the vehicle through which necessary adjustments to the initial authorization of BEOG funds are made, based on the actual demand for funds as reflected by the enrollment of actual entitled students at the institution. Progress Reports are also intended to monitor the allocation of Basic Educational Opportunity Grant funds and to report the payment of these funds by institutions to student recipients. Progress Reports must be filed for accounting periods ending October 31, February 28, and June 30. These reports must be forwarded to USOE by November 15, March 15, and July 15, respectively. In addition, Ad Hoc Reports may be submitted at other than a regularly scheduled reporting date if it becomes necessary for an institution to obtain an adjusted authorization amount to receive additional funds.

The following should be noted with regard to the completion of the Progress Reports:

- A. *Accurate Completion of the Progress Report is essential* to insure that BEOG funds for your students are received without lengthy delays. You should read the following instructions carefully before entering the information requested for each item. You should respond to all applicable questions on the Report form.
- B. If you are a Central Administrative Unit reporting for several campuses or schools, you must be certain to include information *only* for those campuses or schools eligible to participate in the BEOG program and included in your Current BEOG Letter of Agreement with the Office of Education.
- C. When estimates of your school's need for additional BEOG funds are requested, *the estimates should be as realistic and accurate as possible*. Since all appropriate BEOG commitments to students will be honored, no systematic advantage will accrue from overrequesting of funds. If you request excessive funds you may experience a delay in the authorization of the funds you will realistically need for your students as a result of editing and review procedures in USOE.
- D. The Progress Report is a four part form. The processing, file, and SER copies, along with the SERs, should be mailed to:

Division of Basic Grants, Operations Branch
U.S. Office of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

The SERs are submitted to document the disbursements you have made since filing your last Progress Report (see instructions, Items 27, 28, 29). You should retain the fourth copy of the Progress Report for your records.

If you have questions concerning the Progress Report, please contact your regional USOE Office for assistance.

IDENTIFYING DATA

Item 1. OE Vendor No. Enter the six digit number assigned to your institution by the U.S. Office of Education. This number appears on your BEOG Authorization Letter. If you are not sure of your number, contact your regional USOE Office.

Item 2. NIH Vendor No. Enter the six digit number assigned to your institution by the National Institutes of Health. This number is your school's identification in the NIH Federal Assistance Financing System through which funds will be advanced to you for payments to your students. This number also appears on your BEOG Authorization Letter. (It is reflected as the NIH Recipient Account Number on the Authorization Letter.) If you are not sure of your NIH Vendor Number, contact the Federal Assistance Financing Branch, National Institutes of Health, Room 4A17, Westwood Building, Bethesda, Maryland 20014. Telephone (Area Code 301) 496-7041.

NOTE: YOU MUST ENTER YOUR CORRECT USOE AND NIH VENDOR NUMBERS FOR FUNDS TO BE ADVANCED TO YOUR STUDENTS IN A TIMELY FASHION. TO INSURE ACCURACY, USE THE VENDOR NUMBERS AS THEY APPEAR ON YOUR BEOG AUTHORIZATION LETTER.

(EIN No.): An Entity Identification Number may be assigned to institutions by the Department of Health, Education and Welfare at a later date.

Item 3. Report Type. Progress Reports must be regularly filed for reporting periods ending on October 31, February 28, and June 30. In addition, "Ad Hoc" Requests may be filed at any time an institution wishes consideration for a revised Authorization Amount. However, filing "Ad Hoc" Reports about the same time as regularly scheduled Reports will often delay the processing of adjusted Authorization Letters. Check the "Ad Hoc" box if this is a report to request an authorization change at a time other than a regularly scheduled report date.

SECTION I: GENERAL INFORMATION

Item 4. Name/Address. Enter the name and full address, including zip code, of your institution.

Note: If the name and/or address of your institution differs from that shown on your BEOG Official Authorization Letter, check the box.

Items 5, 6, 7. Responsible Official. The institutional administrator who is officially responsible for the Progress Report must sign the Report in the space provided. This must be the individual who is authorized by the institution to submit the Progress Report and who is responsible for the accuracy and completeness of the report. This person's name, title, and phone number must be entered in the appropriate space.

Item 8. Submission Date. Enter the date this report is submitted. Use numbers only (i.e., November 12, 1974 should be entered as 11/12/74).

Item 9. Accreditation Status. If you have status with a nationally recognized accrediting agency, enter the name of the organization and check the type of status which is currently held (full accreditation, candidate, or correspondent).

If you have no such status, but have received a certification letter from the Office of Education confirming the eligibility of your school for this program via the acceptance of credits from your institution "on transfer by not less than three institutions which are so accredited..." indicate under the eligibility via "3 letters" response.

Item 10. BEOG Recipient Status. If your institution has not had any students participating in the BEOG program, nor do you expect any during the current academic year, check the box provided. Complete Section II for first report of academic year only. Please return this report for USOE records.

Note: If your institution has students who have participated in the BEOG program previously in this academic year, but at the present time you have no participants, please complete Section III of this report. In this case do not check the box in Item 10.

If there have been no students at your institution participating in the BEOG program to date, but you are anticipating participation later this academic year, please complete Section III. Do not check the box in Item 10.

SECTION II

Information in this section is important in monitoring BEOG allocations and student awards by the institution. You should complete this section for the first report you make each academic year only (this will ordinarily be the October 31 report).

Item 11. Institution Type. Check the box for the institution type that best describes your school.

Item 12. Control. Check the box for institution control that best describes your school.

Item 13. U.S. Congressional District. Enter the number of the U.S. Congressional District of the reporting school.

Item 14. 1974-75 Full-Time Undergraduate Enrollment. Report the total number of undergraduate students who are enrolled on a full-time basis for the 1974-75 academic year. Do not include full-time equivalents.

Item 15. Part-Time Undergraduate Enrollment. Report the total number of undergraduate students who are enrolled for less than a full-time course load (as defined by the institution) for the 1974-75 academic year. If the institution has no part-time students, enter zero.

Item 16A. How are BEOG Payments Made? Indicate how you disburse BEOG funds to your students.

Item 16B. When are BEOG Payments Made? Indicate how frequently you disburse BEOG funds to students during the academic year. At least two payments should be made during an academic year.

Item 16C. Term Type. Indicate the type of academic term under which your institution operates.

Item 17. Length of Academic Year. Give the length in months of the academic year on which the average charges in Item 18 are based.

Item 18. Average Institution Charges. Enter the average institutional charge per full-time undergraduate student for in-state tuition and fees, on-campus room and on-campus board for each of the academic years indicated. If on-campus room and/or on-campus board are not available at your school, enter "N/A" in the appropriate spaces. Also enter "N/A" in Tuition and Fees for 1973-74 and/or 1975-76 if school was not or will not be operating in that academic year.

SECTION III. STATUS OF AUTHORIZATION

This is a cumulative report. It is required that you report both the dollar amounts (rounded to the nearest whole dollar—*do not show cents*) and (where appropriate) the corresponding number of BEOG recipients in each category.

Items 19A, 19B. Gross Expenditures. In Item 19A, enter the total amount of BEOG funds you have *paid out and/or credited* to students' accounts from July 1 of the current academic year to the end date of the period this report covers. In Item 19B, enter the total *unduplicated* number of recipients to whom these funds were paid.

Items 20A, 20B. Dollar Recoveries. In Item 20A, enter the total amount of funds recovered from BEOG recipients to the date of this report. Such recoveries would include funds restored to the Basic Grant account at the institution for (1) student withdrawals or terminations which result in credits to the BEOG account or (2) student refunds to the institution. Only those recoveries as of the end date of the period which this report covers should be entered.

In Item 20B enter the number of students involved in the calculation in Item 20A.

Items 21A. Net Expenditures. In Item 21A, enter the net expenditures (both direct payments and credits to student accounts) made to BEOG recipients during the current academic year up to and including the current period. This figure is obtained by subtracting Line 20A from Line 19A.

Item 22A. Estimated Demand for Additional Funds (for present recipients for remainder of 1974-75 academic year). This item is to reflect your requirements for funds *in addition to those already expended*, as reported in Item 21A, to meet the needs of student recipients currently enrolled at your institution for the remainder of the 1974-75 academic year. To arrive at this estimate, total the amount of BEOG funds obligated to students as the "expected disbursement" in Section 4 of the Student Eligibility Reports you have processed to the date of this report. Subtract from that figure the Gross Expenditures on Line 19A. Adjust this figure by subtracting estimated *additional* recoveries (based on your experience to date) for the remainder of the academic year. Enter the resulting figure on Line 22A.

Items 23A, 23B. Estimated Additional Recipients. Enter the total amount of funds you estimate will be necessary to cover the needs of *new* (not currently enrolled or processed) BEOG recipients, who are likely to be eligible during the remainder of the 1974-75 academic year. In arriving at this figure, keep in mind that these new students may not be eligible for a full BEOG award, since a portion of the academic year has expired.

In Item 23B, enter the number of students involved in arriving at the figure in 23A.

Item 24A. Total Estimated Expenditures. Enter the total amount of funds you estimate will be necessary to fund all BEOG recipients for the entire 1974-75 academic year. This figure is obtained by adding Lines 21A, 22A, and 23A.

Item 24B. Total Estimated Recipients. Enter the total estimated number of BEOG recipients for the entire academic year. This number is obtained by adding Items 19B and 23B.

Item 25A. Current OE Approved Authorization. This is the USOE approved BEOG Authorized Amount indicated on your *most recent* USOE Authorization Letter.

Item 26. Estimated Authorization Adjustment. If Item 25A is greater than Item 24A, subtract Item 24A from Item 25A and enter the dollar amount, circling the (-) prefix.

If Item 25A is smaller than Item 24A, subtract Item 25A from Item 24A and enter the dollar amount, circling the (+) prefix.

This figure should represent the total additional funds you estimate will be necessary to fund your BEOG recipients for the remainder of the academic year. A new Authorization Letter will be produced indicating this change.

Items 27, 28, 29. Student Eligibility Reports Submitted. A Student Eligibility Report (SER), reflecting each of your BEOG recipients' entitlements for an award, must be submitted to document your payment of their awards. These SERs are to be submitted with regularly scheduled as well as Ad Hoc Progress Reports, and should not be sent separately.

In Item 27, enter the number of SERs you have submitted prior to this report (if any). In Item 28 enter the number of SERs submitted with this Progress Report to reflect students who have begun participation in the BEOG program since your last Progress Report was submitted. Also included in this item will be new SERs for students who are already participating in the program during the current academic year who have had their awards adjusted on the basis of a revised SER.

In Item 29, enter the total number of SERs you have submitted to the date of this report. This is the sum of Items 27 and 28 and should equal or exceed Item 19B.

These SERs should be packaged and mailed with all three copies of the Progress Report.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

STUDENT AFFIDAVIT

(For the Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, College Work-Study, National Direct Student Loan, Guaranteed and/or Federally Insured Loan Programs)

TO THE APPLICANT FOR FEDERAL STUDENT FINANCIAL ASSISTANCE

Section 498 of the Higher Education Act (20 U.S.C. 1088g) requires that each recipient of a grant, loan, or loan guarantee under the Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, National Direct Student Loan or Guaranteed/Federally Insured Student Loan Programs file an affidavit stating that money attributable to such a grant, loan or loan guarantee will be used solely for expenses related to attendance or continued attendance at an institution of higher education. The amount of compensation received from employment under the College Work-Study Program is based on a student's need for such funds to attend an institution of higher education; thus earnings from that program must be used solely for expenses related to attendance at such an institution. A student participating in the College Work-Study program shall file an affidavit to that effect.

WHERE TO FILE THE AFFIDAVIT

A notarized copy of this form is to be filed with the institution or agency which provides the funds to the applicant under these programs. In other words, if you receive a Federal grant or loan from an institution of higher education an affidavit must be filed with that institution. If you ob-

tain a Guaranteed or Federally insured loan from a bank or other lending agency, the form must be filed with that bank or lending agency. The institution or agency will insert the affidavit in your records.

NOTE: The student must sign this affidavit in the presence of a notary or other person legally authorized to administer oaths or affirmations. This person must also sign the affidavit.

NUMBER OF COPIES

You may need to file more than one copy of this affidavit in case more than one institution or agency is providing money to you. If you receive a grant from an institution of higher education and a loan from a bank, a notarized copy of the affidavit must be filed with both the institution and the bank. If you receive a grant, work-study assistance, and a loan from an institution of higher education, only one copy of the affidavit must be filed with the institution.

WHEN TO SUBMIT THE AFFIDAVIT

The affidavit must be submitted before or at the time you receive financial assistance from the institution or agency. The certification is effective for the academic period covered by the student financial aid award you are receiving.

AFFIDAVIT

I hereby affirm that any funds received under the Basic Educational Opportunity Grant, the Supplemental Educational Opportunity Grant, the College Work-study, the

National Direct Student Loan, or the Guaranteed/Federally Insured Loan Programs will be used solely for expenses related to attendance or continued attendance at

(Name of Institution)

Signature (sign only in presence of Notary)

Date: _____

Academic period covered by award(s) _____ 19____ to _____ 19____
(month) (year) (month) (year)

Subscribed and sworn before me this _____ day of _____, 19____.

My commission expires: _____

SEAL

(Signature of Notary Public)

(Address of Notary Public)

CHAPTER 10

CASE EXAMPLES

Application Form

Student Eligibility Report

Supplemental Form

Progress Report

Calculation of Basic Grant Eligibility Index

Calculation of Basic Grant Awards

IMPORTANT You should not fill out this application unless you have begun your post-high school education AFTER April 1, 1973.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

OMB NO.: 51-R0961
FORM APPROVED
FOR OFFICE OF EDUCATION USE ONLY

**APPLICATION FOR DETERMINATION OF BASIC GRANT ELIGIBILITY
FOR THE 1975-76 ACADEMIC YEAR**

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

— READ INSTRUCTIONS FIRST —

A

APPLICANT INFORMATION

1. Have you attended a college, university, or post-high school vocational/technical school at any time BEFORE April 1, 1973? ☐ YES ☒ NO

—If you answered "YES" to this question, you should not complete this form. See page 1, General Information.
—If you answered "NO", complete this form and mail it.

2. APPLICANT'S SOCIAL SECURITY NUMBER 123-45-6789

3. APPLICANT'S NAME BROWN SUSAN M
Last Name First Name Middle Initial

4. IS APPLICANT A U.S. CITIZEN? ANSWER "YES" IF:
— You are a citizen of the United States.
— You are in the U.S. for other than a temporary purpose and intend to become a permanent resident.
— You are a permanent resident of the Trust Territories of the Pacific Islands.
☒ YES ☐ NO

5. APPLICANT'S BIRTH DATE 04 06 57
Month Day Year

6. APPLICANT'S PERMANENT MAILING ADDRESS 5807 SOUTH MAPLE AVENUE
Number and Street
CHICAGO 17 60638
City State Code Zip Code

7. Applicant's school or college for the 1975-76 Academic Year if such a decision has been made. See instructions. Eastern Community College
Name of School or College
Detroit 26
City State Code

8. APPLICANT'S MARITAL STATUS
☒ Single
☐ Married
☐ Divorced, Separated, Widowed

9. IF APPLICANT IS MARRIED or has DEPENDENTS, answer BOTH (a) and (b) below:
(a) Total size of Applicant's Household (include applicant, spouse, dependent children, other dependents)
(b) Number of Members of Applicant's Household (including applicant) to be in post-high school educational institutions in 1975-76

B

PARENT INFORMATION

10. NAME OF PARENT BROWN GEORGE B
Last Name First Name Middle Initial

11. SOCIAL SECURITY NUMBER 234-78-1389

12. PARENTS' STATUS
☒ Married
☐ Divorced, Separated, Widowed, Single
☐ Both Deceased

13. TOTAL SIZE OF PARENTS' HOUSEHOLD (include applicant, applicant's parents, children dependent on applicant's parents, other persons dependent on applicant's parents) 05

14. NUMBER OF MEMBERS OF PARENTS' HOUSEHOLD (include "3" applicant) to be in post-high school educational institutions in 1975-76 02

C

APPLICANT'S STATUS

YOU MUST ANSWER EACH OF THE FOLLOWING QUESTIONS FOR EACH YEAR

15. DID OR WILL APPLICANT LIVE WITH PARENTS DURING
(58) 1974 (59) 1975 (60) 1976
☒ YES ☐ NO ☒ YES ☐ NO ☒ YES ☐ NO

16. APPLICANT IS WAS OR WILL BE LISTED AS AN EXEMPTION ON PARENTS' FEDERAL INCOME TAX RETURN DURING
(61) 1974 (62) 1975 (63) 1976
☒ YES ☐ NO ☒ YES ☐ NO ☒ YES ☐ NO

17. DID OR WILL APPLICANT RECEIVE \$600 OR MORE IN FINANCIAL ASSISTANCE FROM PARENTS DURING
(64) 1974 (65) 1975 (66) 1976
☒ YES ☐ NO ☒ YES ☐ NO ☒ YES ☐ NO

IF: YOU ANSWERED YES FOR ANY QUESTION FOR ANY YEAR IN SECTION C, COMPLETE ONLY SECTION D ON THE NEXT PAGE AND SIGN.

OR: IF YOU ANSWERED NO FOR ALL YEARS AND ALL QUESTIONS IN SECTION C, COMPLETE ONLY SECTION E ON THE NEXT PAGE AND SIGN.

D PARENTS' FINANCIAL STATEMENT

(11) (12)

PARENT'S INCOME AND EXPENSES

(12-13)

18. TOTAL NUMBER OF EXEMPTIONS CLAIMED ON 1974 FEDERAL INCOME TAX RETURN

05

19. ADJUSTED GROSS INCOME (from line 15 of IRS form 1040, or line 12 of IRS form 1040A) 1974
\$ 7500.00**20. ENTER THAT PORTION OF ITEM 19 EARNED THROUGH EMPLOYMENT BY:**

a) Father (19-23) \$ 4500.00

b) Mother (24-28) \$ 3000.00

21. OTHER INCOME (Social Security, child support, tax-free bonds, capital gains, welfare, etc.) (29-33) \$ 0.00**22. TOTAL FEDERAL INCOME TAX PAID** (from line 18 of IRS form 1040, or line 19 of 1040A) (34-38) \$ 322.00

UNUSUAL EXPENSES (See Instructions)

23. MEDICAL and/or DENTAL (39-43) \$ 0.00**24. CASUALTY or THEFT LOSSES** (44-48) \$ 0.00**PARENT'S ASSETS AND DEBTS**

PRESENT MARKET VALUE

UNPAID MORTGAGE OR DEBT

25. HOME (49-50) \$ 20000.00 \$ 10000.00**26. INVESTMENTS AND REAL ESTATE** (See Instructions) (51-52) \$ 0.00 \$ 0.00**27. BUSINESS** (53-54) \$ 0.00 \$ 0.00**28. FARM** (55-56) \$ 0.00 \$ 0.00**29. CASH, SAVINGS ACCOUNTS, CHECKING ACCOUNTS** (57-59) \$ 500.00**APPLICANT'S SPECIAL EDUCATIONAL BENEFITS**

(to be received between July 1, 1975 and June 30, 1976)

30. (a) Veteran's benefits PER MONTH (G.I. Bill) (40-42) \$ 0.00

(b) NUMBER OF MONTHS (43-44) 0

APPLICANT'S RESOURCES**31. SAVINGS, OTHER RESOURCES** (See Instructions) (45-49) \$ 0.00

We certify that we have read this application and that it is accurate and complete to the best of our knowledge. We agree to provide, if requested, any documentation including a copy of our 1974 Federal Income Tax Return necessary to verify information reported on this form. We understand that the results of the eligibility calculation may be released upon request to appropriate State Student Financial Agencies and to the institution, if any, listed in item 7 above.

Dwight M. Brown

FATHER (50)

George B. Brown

FATHER (51)

Nancy Brown

MOTHER OR FEMALE GUARDIAN (52)

February 25, 1975

Date Completed (54-59)

SIGN

E APPLICANT'S FINANCIAL STATEMENT

(11) (12)

INCOME AND EXPENSES: APPLICANT/SPOUSE

(12-13)

32. TOTAL NUMBER OF EXEMPTIONS CLAIMED ON 1974 FEDERAL INCOME TAX RETURN**33. ADJUSTED GROSS INCOME** (from line 15 of IRS form 1040, or line 12 of IRS form 1040A) 1974
\$ 0.00**34. ENTER THAT PORTION OF ITEM 33 EARNED THROUGH EMPLOYMENT BY:**

a) Applicant (19-23) \$ 0.00

b) Spouse (24-28) \$ 0.00

35. OTHER INCOME (Social Security, child support, tax-free bonds, capital gains, welfare, etc.) (29-33) \$ 0.00**36. TOTAL FEDERAL INCOME TAX PAID** (from line 18 of IRS form 1040, or line 19 of 1040A) (34-38) \$ 0.00

UNUSUAL EXPENSES (See Instructions)

37. MEDICAL and/or DENTAL (39-43) \$ 0.00**38. CASUALTY or THEFT LOSSES** (44-48) \$ 0.00**ASSETS AND DEBTS: APPLICANT/SPOUSE**

PRESENT MARKET VALUE

UNPAID MORTGAGE OR DEBT

39. HOME (49-50) \$ 0.00 \$ 0.00**40. INVESTMENTS AND REAL ESTATE** (See Instructions) (51-52) \$ 0.00 \$ 0.00**41. BUSINESS** (53-54) \$ 0.00 \$ 0.00**42. FARM** (55-56) \$ 0.00 \$ 0.00**43. CASH, SAVINGS ACCOUNTS, CHECKING ACCOUNTS** (57-59) \$ 0.00**APPLICANT'S SPECIAL EDUCATIONAL BENEFITS**

(to be received between July 1, 1975 and June 30, 1976)

44. (a) Veteran's benefits PER MONTH (G.I. Bill) (40-42) \$ 0.00

(b) NUMBER OF MONTHS (43-44) 0

I (We) certify that I (we) have read this application and that it is accurate and complete to the best of my (our) knowledge. I (We) agree to provide, if requested, any documentation including a copy of my (our) 1974 Federal Income Tax Return necessary to verify information reported on this form. I (We) understand that the results of the eligibility calculation may be released upon request to appropriate State Student Financial Agencies and to the institution, if any, listed in item 7 above.

SIGN

Applicant (50)

Applicant's Spouse (53) Date Completed (54-59)

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT OR MISREPRESENTATION ON THIS FORM SHALL BE SUBJECT TO A FINE, OR TO IMPRISONMENT, OR TO BOTH, UNDER PROVISIONS OF THE UNITED STATES CRIMINAL CODE.

Mail Completed Form To:
BASIC GRANTS
P.O. BOX A
IOWA CITY, IOWA 52240

**BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
1975-76 STUDENT ELIGIBILITY REPORT**

DEPARTMENT OF HEALTH EDUCATION AND WELFARE
U.S. Office of Education

OMB NO. 51-10975
FORM APPROVED

CONFIDENTIAL

Applicant's Name SUSAN M BROWN		Date of Birth 04-06-57		Applicant's Sex G		Applicant's Marital Status MARRIED		Total No. of Dependents 3		Number of High School Graduates 2	
Applicant's Social Security No. 123-45-6789		Applicant's Signature K		Applicant's Date of Signature 02-21-75		Applicant's Signature L		Applicant's Date of Signature 03-02-75		Applicant's Signature P	
1974 INCOME DATA PARENTS		Adjusted Gross Income 7500		FATHER U		MOTHER 3000		Other Income 0		Federal Income Tax Paid in 74 0	
ASSET DATA PARENTS		Home Value 20,000		Home Mortgage 10,000		Investments and Real Estate 0		Life Insurance 0		Cash Savings 500	
Applicant's Signature LL		Applicant's Date of Signature 0		Applicant's Signature KK		Applicant's Date of Signature 0		Applicant's Signature LL		Applicant's Date of Signature 0	

2 COMMENTS ABOUT YOUR BEOG APPLICATION

IMPORTANT - SEE REVERSE SIDE FOR INSTRUCTIONS, PART A
YOU ARE ELIGIBLE TO RECEIVE A BASIC GRANT FOR THE 1975-76 ACADEMIC YEAR. BASED ON THE APPLICATION YOU SUBMITTED, YOUR ELIGIBILITY INDEX IS 0. AWARDS WILL RANGE FROM \$50 TO ABOUT \$800. THE FINANCIAL AID OFFICER AT YOUR SCHOOL WILL CALCULATE THE AMOUNT OF YOUR BASIC GRANT.

3 PRELIMINARY NOTIFICATION OF AWARD

To the BEOG Applicant: Your Student Eligibility Report has been received and processed by this institution. The amount of your preliminary award is entered on the line below. The final award will be determined at the time of your actual enrollment.
Note: The amount of the Preliminary Scheduled BEOG Award assumes that you would attend this institution for a full academic year and on a full-time basis.

TOTAL STUDENT COST	\$
ELIGIBILITY INDEX	0
PRELIMINARY SCHEDULED BEOG AWARD	\$

4 FINAL AWARD

Is the BEOG Applicant: Submit this copy to the above institution at the time of enrollment. The final award will be entered by the institution.

THIS REPORT PREPARED FOR:

BROWN SUSAN
5807 SOUTH MAPLE AVENUE
CHICAGO
ILL. 60638

TO THE SCHOOL: Please complete this section in accordance with the instructions in the BEOG Handbook, including the 1975-76 Payment Schedule.

SCHOOL: We certify that the applicant is an eligible student as defined under the regulations for the BEOG Program.

STUDENT'S SIGNATURE	DATE
INSTITUTION'S SIGNATURE	DATE

Name of Institution _____ City _____ State _____
Signed By _____

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

FORM APPROVED
OMB NO. 51-R0983

OE USE ONLY

SUPPLEMENTAL FORM FOR 1975-76 ACADEMIC YEAR
(Basic Educational Opportunity Grant Program)

IMPORTANT: An Application for Determination of Basic Grant Eligibility must be submitted with this form.

PURPOSE

The purpose of this Supplemental Form is to allow students and their families, who have experienced a dramatic change in financial circumstances from 1974 to 1975, to submit a Basic Grant application which reflects their changed financial situation through the use of estimated 1975 income rather than actual 1974 income. In order to be eligible to submit a Supplemental Form, you **must** meet one of the conditions listed below.

SECTION I APPLICANT INFORMATION

1. **BROWN** **SUSAN** **M**
Applicant's Name (last name first)
2. **123 45 6789**
Social Security Number
3. **HAVE YOU PREVIOUSLY FILED AN "APPLICATION FOR DETERMINATION OF BASIC GRANT ELIGIBILITY FOR THE 1975-76 ACADEMIC YEAR?" (Check one) ☒ YES ☐ NO**

SECTION II INSTRUCTIONS FOR COMPLETING SUPPLEMENTAL FORM

NOTE: This Supplemental Form must be submitted with an Application for Determination of Basic Grant Eligibility for the 1975-76 academic year.

Step 1: Complete Section A, B, and C of the Basic Grant Application Form.

Step 2: Review Section C of the Application Form.

If you answered "yes" to any of the questions for any year and are to complete Section D (Parents' Financial Statement), you may file a Supplemental Form only if you meet one of the conditions included in Section III below.

OR

If you answered "no" to all of the years in Section C and you are to complete Section E (Applicant's Financial Statement), you may file a Supplemental Form only if you meet one of the conditions included in Section IV on the reverse side of this Supplemental Form.

If you do not meet one of the conditions in Section III or Section IV, you are **not** eligible to submit a Supplemental Form. If you have not already done so, you may, however, still submit a Basic Grant Application which requests 1974 income information.

Step 3: Complete Section III or Section IV of the Supplemental Form.

SECTION III CONDITIONS FOR FILING OF SUPPLEMENTAL FORM

(Complete Only One)

- A:** A parent, whose 1974 income was or would have been included on the Basic Grant Application Form, died in 1974 or 1975.
1. Name of Parent **BROWN**
Mo. Day Year \$ **4500**.00
2. Date of Death **123 45 6789** 3. 1974 Income of Parent
- B:** A parent, whose 1974 income was or would have been included on the Basic Grant Application Form, has experienced a loss of employment of at least ten total weeks in 1975.
1. Name of Parent **BROWN** **GEORGE** **B**
\$ **4500**.00 3. Total No. of weeks of unemployment during 1975 **15**
2. 1974 Income of Parent
- C:** Since the time of an original submission of the 1975-76 Basic Grant Application, the parents of the applicant have become separated or divorced. (If the parents were separated or divorced prior to the date of submitting an original Basic Grant Application, the Supplemental Form cannot be filed—see special instructions on the Basic Grant Application.)
1. **CHECK ONE:**
a. Parents Separated ☐ OR ☐
b. Parents Divorced ☐ 2. Date of separation or divorce Mo. Day Year
- D:** A parent, whose 1974 income was or would have been included on the Basic Grant Application Form, has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to loss or damage to income-producing property as a result of natural disaster. OR such parent has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to disability that occurred during 1974 or 1975.
1. Name of Parent **BROWN**
\$ **4500**.00 3. Total number of weeks during 1975
2. 1974 Income of that Parent
4. **CHECK ONE:**
a. ☐ Disability c. ☐ Flood e. ☐ Other (Please attach a separate explanation of type of occurrence and date of occurrence.)
b. ☐ Fire d. ☐ Drought

SECTION IV CONDITIONS FOR FILING OF SUPPLEMENTAL FORM

(Complete Only One)

A: A spouse, whose 1974 income was or would have been included on the Basic Grant Application Form, died in 1974 or 1975.

1. Name of Spouse _____
 Mo. Day Year _____ \$ _____ .00
 2. Date of death _____ 3. 1974 Income of Spouse _____

B: A spouse, whose 1974 income was or would have been included on the Basic Grant Application Form, has experienced a loss of employment of at least ten total weeks in 1975.

1. Name of Spouse _____
 \$ _____ .00 _____
 2. 1974 Income of Spouse _____ 3. Total No. of weeks of unemployment during 1975 _____

C: Since the time of an original submission of a 1975-76 Basic Grant Application, the applicant has become separated or divorced. (If the applicant was separated or divorced prior to the date of submitting an original Basic Grant Application, the Supplemental Form cannot be filed—see special instructions on the application.)

1. CHECK ONE:
 a. Applicant separated ☐ OR
 b. Applicant divorced ☐ 2. Date of separation or divorce _____
 Mo. Day Year _____

D: An applicant or spouse, whose 1974 income was or would have been included on the Basic Grant Application Form, has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to loss or damage to income-producing property as a result of natural disaster, OR such applicant or spouse has been unable to pursue normal income-producing activities for a period of ten weeks or longer during 1975 due to disability that occurred during 1974 or 1975.

1. Name of Person _____
 \$ _____ .00 _____
 2. 1974 Income of that person _____ 3. Total number of weeks during 1975 _____
 4. CHECK ONE:
 a. ☐ Disability c. ☐ Flood e. ☐ Other (Please attach a separate explanation of type of occurrence and date of occurrence.)
 b. ☐ Fire d. ☐ Drought

E: Applicant who was employed on a full-time basis (at least 35 hours per week) for a minimum of 30 weeks in 1974 and is no longer employed on a full-time basis.

\$ _____ .00 2. Dates of Employment _____
 1. 1974 Income of Applicant _____ from _____
 Mo. Day Year _____
 to _____
 Mo. Day Year _____
 3. Name of Employer _____
 4. Address of Employer _____
 Number and Street _____
 City _____ State Code _____ Zip Code _____

Step 4: Complete Sections D or E of the Basic Grant Application Form. Review Section C of the Basic Grant Application Form to be sure that you completed the correct Section. Provide information according to the instructions included in the Application packet, but with the following exceptions:

Section D	Section E	
Item 18	Item 32	— use 1975 information, rather than 1974
Item 19-21	Item 33-35	— the amount of income should be the sum of (1) actual income from January 1, 1975 to the date of this application and (2) estimated income from the date of this application through December 31, 1975
Item 22	Item 36	— leave this item blank. Federal Income Tax will be computed by the processing agent.
Item 23-24	Item 37-38	— the amount of unusual expenses should be the sum of (1) actual expenses from January 1, 1975 to the date of this application, and (2) estimated expenses from the date of this application through December 31, 1975

Step 5: Carefully review all information provided on both the Supplemental Form and the Application for Determination of Basic Grant Eligibility for 1975-76 to be sure that all information is correct and that all instructions have been followed. Then complete the Certification Statement in Section V below.

SECTION V CERTIFICATION

I (WE) CERTIFY that this Supplemental Form is accurate and complete to the best of my (our) knowledge. I (WE) agree to provide, if requested, documentation necessary to verify information reported on this form.

Susan M. Brown
 Signature of Applicant

George B. Brown
 Signature of Parent, Guardian or Spouse

June 19, 1975
 Date

Step 6: Mail both the Application Form and the Supplemental Form to:

P.O. BOX A • IOWA CITY, IOWA 52240

Be Sure that both the application Form and Supplemental Form are signed before mailing.

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT OR MISREPRESENTATION ON THIS FORM SHALL BE SUBJECT TO A FINE, OR TO IMPRISONMENT, OR TO BOTH, UNDER PROVISIONS OF THE UNITED STATES CRIMINAL CODE.

Academic Year: 1974-75



DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE
OFFICE OF EDUCATION
Washington, D.C. 20202

PLEASE read instructions before
completing this form. Show dol-
lars only. DO NOT show cents.

Form Approved
OMB: 051R 0993

1. OE VENDOR NO.: 012345 (EIN no.)
2. NIH VENDOR NO.: 1A-3456
3. Report for: (Check appropriate box)
☒ Oct. 31 ☐ Feb. 28 ☐ June 30
☐ AD HOC Request for Change in current OE Approved Authorization

SECTION I: GENERAL INFORMATION

4. Institution NAME and ADDRESS:
EASTERN COMMUNITY COLLEGE
5. Date of Submission: 11/5/74
6. Accreditation Status:
Specify Agency: **MIDWEST ASSOC.**
7. Status: ☒ Fully Accredited
☐ Candidate
☐ Correspondent
OR
☐ "3 Letters"
8. Check here if NAME and/or ADDRESS has changed
9. Official responsible for this PROGRESS REPORT
10. Name: **BOB SMITH**
11. Title: **FINANCIAL AID OFFICER**
12. Phone: **101/499-1245**
13. SIGNATURE: **Bob Smith**
14. Check here if NO BEOG recipient expected at this institution. PLEASE return this report for USOE records.

SECTION II: (Complete only for your first report of 1974-75)

15. Type of Institution:
☐ University
☐ Other 4-year
☒ 2-year
☐ At least 1-year, but less than 2-year
☐ At least 6 months, but less than 1-year
16. Control:
☒ Public
☐ Private, non-profit
☐ Private, profit making
17. U.S. Congressional District: **3rd**
18. 1974-75 Full-time Undergraduate Enrollment: **5490**
19. 1974-75 Part-time Undergraduate Enrollment: **500**
20. HOW and WHEN are BEOG Payments made to students?
A. HOW?
☐ Direct Payments
☐ Credit to Student Account
OR
☒ Both
B. WHEN? Frequency of Payments:
☒ Two Payments
☐ Monthly
☐ By Term (for multiple terms only)
☐ Other, Specify: _____
C. Term Type:
☐ Single Term
☐ Quarter
☒ Semester
☐ Trimester
☐ Other, Specify: _____
21. Length of Academic Year (from 7/1/74 to 6/30/75) or equivalent on which charges below are based: **9** months
22. Average Institutional Charges per Full-time Undergraduate Student:
For 1973-74:
Tuition and Fees (In-State) A. \$ **350**
Room (On-Campus) B. \$ **-**
Board (On-Campus) C. \$ **-**
For 1974-75:
Tuition and Fees (In-State) D. \$ **375**
Room (On-Campus) E. \$ **-**
Board (On-Campus) F. \$ **-**
For 1975-76 (Estimated):
Tuition and Fees (In-State) G. \$ **400**
Room (On-Campus) H. \$ **-**
Board (On-Campus) I. \$ **-**

SECTION III: STATUS OF AUTHORIZATION (see instructions)

	Amount (A)	No. of BEOG Recipients (B)
19. Gross Expenditures (actual payments to students to date)	\$ 140,000	400
20. Less Recoveries (to date)	\$ 1,000	5
21. Net Expenditures	\$ 139,000	
ESTIMATED DEMAND FOR ADDITIONAL FUNDS (for remainder of academic year):		
22. Amount for Present Recipients	\$ 138,250	
23. Amount for Additional Recipients Expected to Qualify	\$ 38,400	100
24. Total Estimated Expenditures (for ENTIRE academic year: 7/1/74 - 6/30/75)	\$ 176,650	500
25. Current OE Approved Authorization (from BEOG Authorization letter)	\$ 250,000	
26. Institution's Estimated Authorization Adjustment	\$ 62,650	
27. Number of Student Eligibility Reports Previously Submitted	0	
28. Number of Student Eligibility Reports Submitted with this Report	400	
29. Total Number of Student Eligibility Reports Submitted	400	

OE FORM 255-3, 6/74

U.S.O.E. USE ONLY

PREVIOUS EDITION IS OBSOLETE

USOE COPY 1 - PROCESSING

REFERENCE TABLES FOR DETERMINATION OF STUDENT
ELIGIBILITY INDEX

TABLE 1
Family Size Offset

<u>Family Size</u>	<u>Dollar Amounts</u>
1	950
2	3400
3	4100
4	5200
5	6150
6	6950
7	7700
8	8500
9	9300
10	10,100
11	10,850
12	11,650

TABLE 2
Multiple Student Calculation Rate

<u>Number in Postsecondary Education</u>	<u>Calculation Rate</u>
1	100%
2	70%
3	50%
4 or more	40%

TABLE 3
Employment Expense Offset

<u>Dependent Student</u>		<u>Independent Student</u>	
<u>Both Parents Employed</u>	<u>Single Head of Household</u>	<u>Student & Spouse Employed</u>	<u>Single Head of Household</u>
50% of Lesser Income, not to Exceed \$1500	50% of Income, Not to Exceed \$1500	50% of Lesser Income, Not to Exceed \$1500	50% of Income, Not to Exceed \$1500

TABLE 4
For Independent Students
Rates to determine Contribution from Income

<u>Type of Family</u>	<u>Rate</u>
Single Student	75%
Married with spouse only	50%
With dependents other than spouse	40%

CASE #1

A family with both parents employed, mother earns \$3000 per year and the father earns \$4500 per year. There are two children in college, the applicant who will be a freshman and an older sister who is a junior at the State University. A younger brother is in high school. The family owns a \$16,000 home with a mortgage of \$4500. There are no savings or other investments.

CALCULATION OF ELIGIBILITY INDEX FOR DEPENDENT STUDENTS, ACADEMIC YEAR 1975-1976 SUMMARY OF CALCULATION

1. Parents' adjusted gross income in 1974.		7500
a. Amount earned by father.	4500	
b. Amount earned by mother.	3000	
2. Total other family income in 1974.		+ 0
3. One-half of Veterans Educational Benefits (to be received between July 1, 1975 and June 30, 1976).		+ 0
4. Annual Adjusted Income (lines 1+2+3).		= 7500
5. Parents' Federal Income Tax paid for 1974.		- 322
6. Effective family income.		= 7178
7. Family size offset. (Table 1)	+ 6150	
8. Unusual expenses.	+ 0	
9. Employment expense offset (Table 3).	+ 1500	
10. Total offsets against income (lines 7+8+9).		7650
11. Discretionary income (line 6 minus line 10).		- 472
12. If line 11 is a positive amount, multiply discretionary income by applicable rate (\$1 - \$4999 @ 20%; \$5000 or more, \$1000 + 30% of amount in excess of \$5000) to obtain standard contribution from income. If line 11 is a negative amount, enter 0.		0
13. Determine net assets of parents.		11,500
14. Subtract asset reserve.		- 10,000
15. Available parental assets (line 13 minus line 14).		= 1,500
16. Multiply available parental assets by 0.05.		75
17. Enter line 16 as standard contribution from available parental assets. If line 16 is negative, enter 0.		75
18. If line 11 is a negative amount, enter that amount as a positive number; otherwise enter 0.		472
19. Subtract line 18 from line 17 to obtain contribution from parental assets. If negative number, enter 0.		0
20. Add lines 12 and 19 to obtain contribution from family income and parental assets		0
21. Multiply line 20 by multiple student rate to determine expected family contribution for each family in postsecondary education. (Table 2)		0
22. Determine net assets of student.		0
23. Multiply student's net assets by 0.33.		0
24. Student Eligibility Index equals sums of lines 21 and 23.		0

CASE STUDY #2

An independent applicant and spouse with two children. Both the applicant and spouse are employed; the applicant earns \$1,500 and his spouse earns \$4,500. Only the applicant is enrolled in postsecondary education. The applicant and spouse have total assets of \$750 in savings. There is no income from Social Security or Veterans Benefits.

CALCULATION OF ELIGIBILITY INDEX FOR INDEPENDENT STUDENTS, ACADEMIC YEAR 1975-76 SUMMARY OF CALCULATIONS

1. Adjusted gross income of applicant (and spouse) in 1974	<u>6,000</u>
a. Amount earned by applicant.	<u>1,500</u>
b. Amount earned by spouse.	<u>4,500</u>
2. Total other family income in 1974.	+ <u>0</u>
3. One-half of Veterans Educational Benefits (to be received between July 1, 1975 and June 30, 1976).	+ <u>0</u>
4. Annual adjusted Income (lines 1+2+3).	= <u>6,000</u>
5. Federal Income Tax Paid for 1974.	- <u>306</u>
6. Effective family income.	= <u>5,694</u>
7. Family size offset. (Table 1).	+ <u>5,200</u>
8. Unusual Expenses.	+ <u>0</u>
9. Employment expense offset (Table 3)	+ <u>750</u>
10. Total offsets against income (lines 7+8+9).	<u>5,950</u>
11. Discretionary income (line 6 minus line 10).	= - <u>256</u>
12. If line 11 is a positive amount, multiply discretionary income by applicable rate to obtain standard contribution from income. If line 11 is a negative amount enter 0. (Table 4)	<u>0</u>
13. Determine net assets of applicant (and spouse).	<u>750</u>
14. Multiply amount of assets of applicant (and spouse), entered in line 13 by 0.33 to obtain standard contribution from assets.	+ <u>248</u>
15. If line 11 is a negative number, enter as a positive number; otherwise enter 0.	<u>256</u>
16. Subtract line 15 from line 14 to obtain standard contribution from student assets. If negative number, enter 0.	<u>0</u>
17. Add lines 12 and 16 to obtain standard contribution from income and assets.	<u>0</u>
18. Multiply standard contribution by multiple student rate to determine expected family contribution from each member in postsecondary education. (Table 2)	<u>0</u>
19. Student Eligibility Index equals line 18.	<u>0</u>

CASE STUDY #3

A dependent applicant whose father is deceased. The applicant's mother is employed and earns \$1500 per year. There are two younger brothers who are in junior high school and the family receives \$2600 per year from Social Security for the mother and younger brothers. The applicant receives \$1100 per year in benefits from Social Security. The family has \$15,000 in net assets from \$10,000 equity in the home and \$5,000 in savings and bonds.

CALCULATION OF ELIGIBILITY INDEX FOR DEPENDENT STUDENTS, ACADEMIC YEAR 1975-1976 SUMMARY OF CALCULATION

1. Parents' adjusted gross income in 1974.		1500
a. Amount earned by father.	0	
b. Amount earned by mother.	1500	
2. Total other family income in 1974.		+ 3700
3. One-half of Veterans Educational Benefits (to be received between July 1, 1975 and June 30, 1976).		+ 0
4. Annual Adjusted Income (lines 1+2+3).		= 5200
5. Parents' Federal Income Tax paid for 1974.		- 0
6. Effective family income.		= 5200
7. Family size offset. (Table 1)	+ 5200	
8. Unusual expenses.	+ 0	
9. Employment expense offset (Table 3).	+ 750	
10. Total offsets against income (lines 7+8+9).		5950
11. Discretionary income (line 6 minus line 10).		- 750
12. If line 11 is a positive amount, multiply discretionary income by applicable rate (\$1 - \$4999 @ 20%; \$5000 or more, \$1000 + 30% of amount in excess of \$5000) to obtain standard contribution from income. If line 11 is a negative amount, enter 0.		0
13. Determine net assets of parents.		15,000
14. Subtract asset reserve.		- 10,000
15. Available parental assets (line 13 minus line 14).		= 5,000
16. Multiply available parental assets by 0.05.		250
17. Enter line 16 as standard contribution from available parental assets. If line 16 is negative, enter 0.		250
18. If line 11 is a negative amount, enter that amount as a positive number; otherwise enter 0.		750
19. Subtract line 18 from line 17 to obtain contribution from parental assets. If negative number, enter 0.		0
20. Add lines 12 and 19 to obtain contribution from family income and parental assets		0
21. Multiply line 20 by multiple student rate to determine expected family contribution for each family in postsecondary education. (Table 2)		0
22. Determine net assets of student.		0
23. Multiply student's net assets by 0.33.		0
24. Student Eligibility Index equals sums of lines 21 and 23.		0

CALCULATION OF BASIC GRANT AWARDS

Case A1: Student enrolled in program of six months duration.

1. Computation of Award

Total Student Cost	\$1685	
Eligibility Index	85	
Scheduled BEOG Award	\$ 600	(From Sample Payment Schedule on page 7-7)
Expected Disbursement	\$ 450	

When a student is enrolled in a program of study that is less than a full school year (8 months), the formula to calculate Expected Disbursement is:

$$\text{Expected Disbursement} = \frac{\text{Months Enrolled}}{8} \times \text{Scheduled BEOG Award}$$

$$\$450 = \frac{6}{8} \times \$600$$

2. Completion of Section 4 of Student Eligibility Report.

TOTAL STUDENT COST	ELIGIBILITY INDEX
4. \$ 1685	5. 85
SCHEDULED BEOG AWARD	EXPECTED DISBURSEMENT
6. \$ 600	7. \$ 450

NOTE: See page 7-8 for complete discussion of calculation of Basic Grant award for this example.

Case A2: Student enrolled for one semester only. Semester is 4 months, school year is 8 months.

1. Computation of Award

Total Student Cost	\$1650	(for a full school year)
Eligibility Index	65	
Scheduled BEOG Award	\$ 600	(from Sample Payment Schedule)
Expected Disbursement	\$ 300	

When a student is enrolled for a portion of a school year (i.e., one semester or one quarter), the formula to calculate Expected Disbursement is:

$$\text{Expected Disbursement} = \frac{\text{Months in term enrolled}}{\text{Total months in Inst. school year}} \times \text{Scheduled BEOG Award}$$

$$\$300 = \frac{4}{8} \times \$600$$

2. Completion of Section 4 of Student Eligibility Report.

TOTAL STUDENT COST	ELIGIBILITY INDEX
4. \$ 1650	5. 65
SCHEDULED BEOG AWARD	EXPECTED DISBURSEMENT
6. \$ 600	7. \$ 300

NOTE: See page 7-9 for complete discussion of calculation of Basic Grant award for this example.

Case B: Student enrolled in a 9 month program which goes from April 5 to December 25.

1. Computation of Award

Total Student Cost	\$1675	(for the full 9 months of the program)
Eligibility Index	65	
Scheduled BEOG Award	\$ 600	(from Sample Payment Schedule)
Expected Disbursement	\$ 200	

When a student is enrolled in a program of study that spans two academic years (academic year is defined as the period of time between July 1 and June 30), the formula to calculate Expected Disbursement for the period that falls within one academic year is:

Expected Disbursement = $\frac{\text{Months within that academic year}}{\text{Total months in Inst. School year}} \times \text{Scheduled BEOG Award}$

$$\$200 = \frac{3}{9} \times \$600$$

2. Completion of Section 4 of Student Eligibility Report.

TOTAL STUDENT COST	ELIGIBILITY INDEX
4. \$ 1675	\$ 65
SCHEDULED BEOG AWARD	EXPECTED DISBURSEMENT
6. \$ 600	7. \$ 200

NOTE: See page 7-9 for complete discussion of calculation of Basic Grant award for this example.

Case C: Student enrolled in 18 month program, nine months in one academic year (between July 1 and June 30) and 9 months in another academic year.

1. Computation of Award

Total Student Cost	\$1650	(based on the cost for the 9 months that falls in the current academic year)
Eligibility Index	60	
Scheduled BEOG Award	\$ 600	(from Sample Payment Schedule)
Expected Disbursement	\$ 450	

When a student is enrolled in a program of study of more than 12 months duration, the formula to calculate Expected Disbursement is:

$$\text{Expected Disbursement} = \frac{\text{Months of program between July 1 and June 30}}{12} \times \text{Scheduled BEOG Award}$$

$$\$450 = \frac{9}{12} \times \$600$$

2. Completion of Section 4 of Student Eligibility Report.

TOTAL STUDENT COST	ELIGIBILITY INDEX
4. \$ 1650	\$ 60
SCHEDULED BEOG AWARD	EXPECTED DISBURSEMENT
6. \$ 600	7. \$ 450

NOTE: See page 7-10 for complete discussion of calculation of Basic Grant award for this example.

Case D: Student enrolled for full school year.

1. Computation of Award

Total Student Cost	\$1675	(for a full school year)
Eligibility Index	85	
Scheduled BEOG Award	\$ 600	(From Sample Payment Schedule)
Expected Disbursement	\$ 600	

Expected Disbursement = Scheduled BEOG Award

4. <table border="1"><thead><tr><th>TOTAL STUDENT COST</th></tr></thead><tbody><tr><td>\$ 1675</td></tr></tbody></table>	TOTAL STUDENT COST	\$ 1675	5. <table border="1"><thead><tr><th>ELIGIBILITY INDEX</th></tr></thead><tbody><tr><td>85</td></tr></tbody></table>	ELIGIBILITY INDEX	85
TOTAL STUDENT COST					
\$ 1675					
ELIGIBILITY INDEX					
85					
6. <table border="1"><thead><tr><th>SCHEDULED BEOG AWARD</th></tr></thead><tbody><tr><td>\$ 600</td></tr></tbody></table>	SCHEDULED BEOG AWARD	\$ 600	7. <table border="1"><thead><tr><th>EXPECTED DISBURSEMENT</th></tr></thead><tbody><tr><td>\$ 600</td></tr></tbody></table>	EXPECTED DISBURSEMENT	\$ 600
SCHEDULED BEOG AWARD					
\$ 600					
EXPECTED DISBURSEMENT					
\$ 600					

CHAPTER 11

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- I Federal
- II State Scholarship Programs
- III Guaranteed Student Loan Program

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Eugene, Oregon 97401

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Assistance Agency
Towne House, 660 Boas Street
Harrisburg, Pennsylvania 17102

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Office of Education, Region II
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SOUTH CAROLINA (See Louisiana Out-
of-State residents)

SOUTH DAKOTA (See Colorado)

TENNESSEE

Tennessee Education Loan Corporation
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Nashville, Tennessee 37219

TEXAS (See New Mexico)

UTAH (See Colorado)

VERMONT

Vermont Student Assistance Corporation
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Burlington, Vermont 05401

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WASHINGTON (See Idaho)

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Madison, Wisconsin 53702

WYOMING (See Colorado)

AMERICAN SAMOA (See Arizona)

GUAM (See Arizona)

TRUST TERRITORY (See Arizona)

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